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14 Attorneys for Cross-Complainants, PAUL EDALAT, MEDIPATCH, INC., A
15 CALIFORNIA CORPORATION, AND AMIR ASVADI

16 U.S. DISTRICT COURT
17 CENTRAL DISTRICT OF CALIFORNIA
18 SOUTHERN DIVISION
19

20 BRUCE CAHILL, an individual,
21 GREGORY CULLEN, an individual,
22 SHANE SCOTT, an individual and
23 Pharma Pak, Inc. a California
24 Corporation

25 Plaintiffs,

26 vs.
27
28

Case No.: 16-cv-00686 AG

FIRST AMENDED
COUNTER – CLAIM AND
CROSS-COMPLAINT FOR
DAMAGES BY PAUL Edalat,
MEDIPATCH, Inc., a California
Corporation, and AMIR ASVADI
FOR:

1. VIOLATION OF
FEDERAL RICO LAW, 28
USC 1961, 1963 & 1964,
FRAUD AND DECEIT,
FORGERY, BREAKING
AND ENTERING,
TRANSPORTATION &
SALES OF ILLEGAL
SCHEDULE 1 DRUGS

1 PAUL PEJMAN EDALAT, an

2 individual, OLIVA KARPINSKI, an

3 individual, FARAH BARGHI, an

4 individual, SENTAR

5 PHARMACEUTICALS, INC., a

6 Nevada Corporation, BLUE TORCH

7 VENTURES, INC., a Wyoming

8 Corporation, LIWA, N. A., a Wyoming

9 Corporation, SENTUS LAND

10 MANAGEMENT, LLC, a Wyoming

11 Limited Liability Company,

12 Defendants

13 PAUL EDALAT, MEDIPATCH, INC.,

14 A CALIFORNIA CORPORATION,

15 AND AMIR ASVADI

16 Cross-Complainant

17 Vs.

18 BRUCE EDWARD CAHILL, an

19 individual, Gregory David Cullen, an

20 individual, Shane Ryan Scott, an

21 2. BREACH OF CONTRACT

22 3. BREACH OF THE
COVENANT OF GOOD
FAITH AND FAIR
DEALINGS

23 4. FRAUD

24 5. BREACH OF FIDUCIARY
DUTIES

25 6. EMBEZZLEMENT,

26 7. TRESPASS TO REAL
PROPERTY & THEFT

27 DEMAND FOR JURY TRIAL

1 individual, Ronald Ventura Franco,
2 an individual, Pharma Pak, Inc., a
3 California Corporation, Brent Cahill,
4 Leslie Harold Wood, Ludwig Jan
5 Weimann, Mark John Erfurt, Erton
6 Aydinol, Kira Lindsay Cahill, Karen
7 Jane Grobba-Cahill, Life Tech Global
8 LLC, a Delaware Corporation, Kira
9 Investments LLC, a California
10 Corporation, Cahill Family Trust, a
11 California Trust, Cahill Bruce E.
12 Trust, a California Trust, First
13 Foundation Bank, a California
14 corporation and Does 1 to 100
15 Cross-Defendants

1 ALL ALLEGATIONS CONTAINED HEREIN ARE DIRECTLY RELATED TO
2 THE VIOLATION OF 28 USC 1961, 1963 AND 1964. THE
3 ADDITIONALLY CLAIMS FOR RELIEF ARE BASED UPON THE FACTS
4 THAT CROSS-DEFENDANTS WERE ACTING WITHIN THEIR SCOPE
5 OF A CONSPIRACY AND DOING ALL THINGS NECESSARY TO
6 COMMIT A CRIMINAL ACT. THEREFORE, ALL CLAIMS WHICH ARE
7 NOT DIRECTLY FEDERAL CLAIMS ARE BASED UPON FCP RULES, 13,
8 14, 19 AND 20 BECAUSE OF THE FACT THAT ALL CLAIMS ARE
9 RELATED TO THE RICO CLAIMS, ADDITIONALLY, ALL EXHIBITS
10 MENTIONED HEREIN WERE ATTACHED TO THE ORIGINAL
11 COMPLAINT AND WILL NOT BE ATTACHED HERETO, BUT ARE
12 INCORPORATED HEREIN BY THIS REFERENCE.

13
14 CROSS-COMPLAINANTS, alleges as follows:

15 GENERAL ALLEGATIONS

- 16 1. CROSS-COMPLAINANTS are and, at all times relevant herein, Citizens
17 of State of California.
- 18 2. MEDIPATCH, Inc., is a California Corporation with its principal offices in
19 San Diego.
- 20 3. Amir Asvadi is and, at all times relevant herein, a Citizen of the State of
21 California.
- 22 4. Edalat and Asvadi are both shareholders in Pharma Pak, Inc.
- 23 5. Edalat and Medipatch both hold patents for the creation of patches with
24 difference substances allowed to be on them. One of those substances
25 is Cannabinoids, "CBD". Additionally, Edalat has patents for sublingual
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1 delivery technology. Based upon information and belief, Edalat and
2 Medipatch both are informed that Cross-Defendants Cahill, Cullen, Scott,
3 and Franco, and their co-conspirators are making pills and patches in
4 direct violation of Edalat's and Medipatch's Patents.
5

6 6. In addition to illegally using the Medipatch patch technology, Cahill and
7 Cross-Defendants sent former Medipatch employee, Ertan Aydinol, to
8 illicitly utilize the Medipatch facility to produce more than 15,000 patches
9 with a retail value in excess of \$300,000. Cahill further had former
10 Medipatch employees Ludwig Jan Weimann and Ertan Aydinol sabotage
11 the Medipatch facility. These are just two examples of Cahill and Cross-
12 Defendants criminal actions.
13
14
15

16 7. Brent Cahill, is and, at all times relevant herein, a Citizen of the State of
17 California. Cahill created projections relied upon by investors, created
18 and maintained the website for Pharma Pak, Inc. (PharmaPakCA.com),
19 earned illegitimate wages, and was directly involved in the conspiracy to
20 defraud Pharma Pak, Inc. and investors.
21
22

23 8. Leslie Harold Wood, is and, at all times relevant herein, a Citizen of the
24 State of California. Wood created projections relied upon by investors,
25 created and maintained the accounting records for Pharma Pak, Inc.,
26 signed all checks, approved all reimbursements, and was, according to
27
28

1 the Statement of Information filed with the State of California, Pharma
2 Pak, Inc.'s Chief Financial Officer. Furthermore, Wood earned
3 illegitimate wages, and was directly involved in the conspiracy to defraud
4 Pharma Pak, Inc. and investors.
5

6 9. Ludwig Jan Weimann, is and, at all times relevant herein, a Citizen of
7 the State of California. Weimann brought onto Company property illegal
8 Schedule 1 drugs, authorized and actively participated in the production
9 of illegal medical devices, earned illegitimate wages, and was directly
10 involved in the conspiracy to defraud Pharma Pak, Inc. and investors
11 and sabotage Medipatch facilities.
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15 10. Mark John Erfurt is and, at all times relevant herein, a Citizen of the
16 State of California. Erfurt illegally accessed non Pharma Pak, Inc.
17 servers and computers in order to obtain trade secrets, stole non
18 Pharma Pak, Inc. computers and servers, destroyed evidence including
19 digital files of the Pharma Pak, Inc. website, electronic mail, and other
20 such electronic documents. Erfurt defrauded Pharma Pak, Inc. through
21 illicit reimbursements and other such payments.
22
23
24

25 11. Ertan Aydinol is, based upon belief, a Citizen of the State of
26 Colorado. Aydinol conspired to defraud Pharma Pak, Inc. and its
27 investors, and further embezzled cash from the Company. Aydinol
28

1 earned illegitimate wages, and further conspired to defraud Pharma Pak,
2 Inc. and its investors, and sabotage Medipatch facilities.

3
4 12. Karen Jane Grobba-Cahill is and, at all times relevant herein, a
5 Citizen of the State of California. Grobba-Cahill is a beneficiary of the
6 Cahill Family Trust and Cahill Bruce E. Trust, and conspired with Cahill
7 to produce a fraudulent loan application.
8

9
10 13. Kira Lindsay Cahill is and, at all times relevant herein, a Citizen of the
11 State of California. Cahill is a beneficiary of the Cahill Family Trust and
12 Cahill Bruce E. Trust. Cahill is the controlling shareholder of Kira
13 Investments, LLC, and forged Edalat's signature on an illegitimate lease
14 document. Cahill is a beneficiary of monies received by Kira
15 Investments, LLC from Pharma Pak, Inc. as a result of this forgery.
16

17
18 14. Cahill Family Trust is and, at all times relevant herein, a Trust formed
19 in the State of California. It is directly involved in the forgery and
20 fraudulent loan application submitted to First Foundation bank.
21

22 15. Cahill Bruce E. Trust is and, at all times relevant herein, a Trust
23 formed in the State of California. It is directly involved in the forgery and
24 fraudulent loan application submitted to First Foundation Bank.
25

26 16. Kira Investments is and, at all times relevant herein a corporation
27 formed in the Stated of California. It is directly involved in the forgery
28

1 and recipients of illicit gains via fraudulent rent payments

2 17. First Foundation Bank, operating in the State of California, is directly
3 involved in Cahill's acts of fraud. First Foundation Bank allowed Cahill to
4 illicitly remove Edalat's name from corporate bank accounts, allowed
5 Cahill to file a fraudulent loan application, and allowed Cahill to commit
6 acts against banking law.
7
8

9 18. Life Tech Global, LLC is and, at all times relevant herein, formed in the
10 State of Delaware, and operating in the State of California. Life Tech
11 Global, LLC is the successor corporation to Pharma Pak, Inc. It has stolen
12 Pharma Pak, Inc. assets, cash, and intellectual property, and is the
13 vehicle through which cross-defendants are hiding their illicit activities.
14
15

16 19. Plaintiffs' have named Defendant Edalat as Paul "Pejman" Edalat: a
17 deliberate attempt to confuse the record. Defendant Edalat's legal name
18 is, and always has been, Paul Edalat, as Plaintiffs' are well aware.
19

20 20. Plaintiffs are attempting to conduct a campaign of slander against
21 Edalat via the Federal Courts, personal friends of Edalat's, and business
22 associates of Edalat's.
23

24 21. Plaintiffs' have named entities wholly unrelated to the Pharma Pak,
25 Inc. venture in an attempt to disadvantage and otherwise economically
26 harm those entities, and in an attempt to spin the facts of their own
27
28

1 gross negligence, embezzlement, and unlawful and fraudulent activities.
2 Plaintiffs' naming of these entities is a deliberate attempt to confuse the
3 record;
4

5 a. Sentar Pharmaceuticals has no relationship to Pharma Pak, Inc.,
6 Plaintiffs' are well aware of this fact.
7

8 b. LIWA N.A. has no relationship to Pharma Pak, Inc. Plaintiffs' are
9 well aware of this fact.
10

11 c. Blue Torch Ventures has no relationship to Pharma Pak, Inc.
12 Plaintiffs' are well aware of this fact.
13

14 22. Plaintiffs' further construct fictitious entity names in order to
15 deliberately confuse the record. There exist no such entities as "Edalat
16 Family Trust" nor "APS Sciences".
17

18 23. Plaintiffs also seem to be unable to keep their own facts straight, on
19 one hand claiming that Edalat and Karpinski used the *Sentar*
20 *Pharmaceuticals pending patents* to induce their investments into
21 Pharma Pak, Inc., and on the other stating Edalat and Karpinski used
22 the *Pharma Pak, Inc., patents* to induce their investment into Pharma
23 Pak, Inc.
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25

26 24. That Plaintiffs' filed their initial Complaint on April 12, 2016, waited
27 until May 16, 2016 to file a First Amended Complaint, and further did not
28

1 properly serve Edalat until May 20, 2016, despite having frequent
2 contact with Edalat's personal counsel on matters concerning Pharma
3 Pak, is indicative of the malicious nature and intent of this Complaint.
4

- 5 a. Proof that Plaintiffs' counsel, John J. Markham was in contact with
6 Edalat's counsel Lisa Salisbury of Salisbury Law Group well before
7 the filing of this Complaint on April 12, 2016 is attached as Exhibit
8
9 C.

- 10 i. Markham and his client Plaintiff Scott attempted to induce
11 Edalat into attendance at a meeting to discuss ongoing
12 Pharma Pak, Inc. concerns on April 12, 2016. However,
13 mere hours before the meeting was to take place, Plaintiffs'
14 chose instead to file this Complaint under false pretenses.
15
16
17

18 25. That Cahill and Plaintiff's claim Edalat did not disclose his 2014
19 Bankruptcy is deliberately misleading based on the following facts:

- 20 a. Plaintiffs' claim to be savvy investors, and thus a perfunctory
21 Internet search would disclose Edalat's bankruptcy, even if, as
22 they claim, he had not.
23
24 b. Plaintiff Cahill was well aware of Edalat's bankruptcy, going so far
25 as to offer to fund any bankruptcy related litigation, and introducing
26 Edalat to the partners of prestigious Southern California law firm
27
28

1 Hueston Hennigan LLP, whom Edalat would go on to retain.

2 Evidence of Cahill's knowledge is attached hereto as Exhibit D,
3 Exhibit E, and Exhibit F.
4

5 c. Edalat disclosed his bankruptcy to Plaintiff Scott, as they
6 discussed other joint business ventures outside of Pharma Pak,
7 Inc., and Scott had himself been through the bankruptcy process
8 twice before in Utah (docket numbers 2:11-bk-20079 and 2:11-bk-
9 23640).
10

11
12 d. Plaintiff Cullen and Plaintiff Franco were brought in to Pharma Pak
13 by Cahill, and not Edalat, well after Cahill's knowledge of Edalat's
14 bankruptcy. Edalat disclosed his pending bankruptcy litigation to
15 both Plaintiffs in conversations leading up to their investments.
16

17
18 26. That Plaintiffs disingenuously list Edalat's deceased brother's Ferrari
19 as an asset of Edalat's, disingenuously state that Edalat lied in
20 Bankruptcy proceedings, and maliciously list a bevy of assets that are
21 not owned by Edalat, shows the lengths they are willing to go to
22 perpetrate a falsehood upon the Court.
23

24
25 27. Plaintiffs' repeated characterization of Edalat as a 'fraud' may be
26 construed as not only a deliberate and malicious attempt to interfere in
27 Edalat's business and personal life, but is also indicative of attempting to
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1 use the judicial system as a way to protect themselves from charges of
2 slander and libel.

3 Cahill had been previously warned on two separate occasions by
4 counsel from Manatt, Phelps, and Phillips to cease and desist from his
5 libelous statements to third parties, and chose instead to continue his
6 baseless personal attacks on Edalat by contacting personal friends and
7 business acquaintances of Edalat in an attempt to cause Edalat to react.
8 When Plaintiffs' realized Edalat and non-plaintiff shareholders would not
9 back away quietly, they instead chose to file suit. True and correct
10 copies of communications from counsel Thomas Poletti of Manatt,
11 Phelps, and Phillips are attached as Exhibit G

12 28. At the time of the Company's formation in January of 2015, Plaintiff
13 Cahill, and non-plaintiff shareholder John Crowther, were both well
14 aware of Edalat's personal financial situation.

15 a. As of approximately October of 2014, Edalat was in negotiations
16 with interested third parties for further development of the 17809
17 Gillette manufacturing facility in Irvine, California. The facility held
18 a valid Pharmaceutical Manufacturing license, a copy of which is
19 attached as Exhibit N, and was ripe for a myriad of business
20 activities. In fact, Cahill attended many meetings in Texas
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1 regarding such potential joint venture partners, including some of
2 the largest pharmaceutical compounding operations in the United
3 States. It was on Cahill's advice that Edalat did not partner with
4 these third parties.
5

6 Cahill, among other lulling statements made to Edalat, stated that
7 since he (Cahill) was retired, he was looking for a secondary
8 project to keep him (Cahill) occupied.
9

10 Cahill, seeing the potential value of pharmaceutical compounding
11 operations, induced Edalat to partner with Cahill himself in order to
12 enter the pharmaceutical compounding space.
13
14

- 15 b. At this point in the Cahill and Edalat relationship, they had known
16 each other socially for many years, through a trusted mutual
17 friend. Cahill used his clout as a Board of Trustee member for
18 various entities, his philanthropic endeavors, and references to his
19 \$38,900,000 "house on the hill" in Laguna Beach, the Cahill titled
20 'Villa de Sogni' mansion, as proof of his success and established
21 business prowess. Edalat had no reason at this point to doubt
22 Cahill's sincerity. It was only later that Edalat would come to
23 realize the extent of Cahill's duplicity.
24
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1 29. In February of 2015, Cahill and Crowther urged Edalat to sell Edalat's
2 personal shares in the newly formed Pharma Pak, Inc. venture in order
3 to raise needed personal funds for ongoing bankruptcy litigation. Cahill
4 brought to the table multiple potential investors for Pharma Pak, Inc.,
5 including Plaintiffs Cullen and Franco.
6

7
8 30. In September of 2015, Cahill was actively soliciting further investors
9 for the Pharma Pak, Inc. venture. In a text message dated September
10 24, 2015, Cahill stated to Edalat, "*Paul At lunch with investors about to*
11 *make you rich*". Cahill goes on to say, "*There are a couple of doctors*
12 *here in San Diego that are wealthy and just cashed out \$100 meg [sic]*
13 *on an IPO. Have taken a couple of companies through IPO. Bring*
14 *money and expertise.* Furthermore, that Plaintiffs' accuse Edalat and co-
15 defendant Karpinski of working on both Pharma Pak, Inc. and Sentar
16 related matters is laughable. Cahill's own text message from September
17 24, 2015 further states, "*Simple first. Pharma Pak. Then discuss Sentar.*
18 *Trying my best to solve our problems.*" A copy of this text message is
19 attached herein as Exhibit H.
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25 31. Cahill repeatedly stated to Edalat that Cahill himself did not have the
26 liquidity needed to fund the venture, and that outside investors would
27 need to be sought. However, as will be illustrated further, this was a
28

1 falsehood designed to fraudulently induce Edalat into diluting himself out
2 of Pharma Pak, Inc., and to reduce Edalat's shareholder status in the
3 Company.
4

- 5 a. Attached as Exhibit I is a true and correct copy of an email from
6 Plaintiff Cahill to Plaintiff Cullen, also mistakenly sent to Edalat, on
7 January 29, 2016, wherein Cahill clearly lays out how he planned
8 to dilute Edalat from the Company in order to give himself a
9 majority Shareholder position.
10
11

12 32. Cahill introduced plaintiff Gregory David Cullen to Defendant Edalat
13 for investment into Pharma Pak, Inc.
14

- 15 a. Plaintiff Cullen received due diligence documents on Pharma Pak,
16 Inc., including projections, from Pharma Pak, Inc. "Chief Financial
17 Officer" Leslie Harold Wood on or about August 24, 2015.
18

19 Attached as Exhibit J, is a true and correct copy of the
20 communication between Wood and Cullen regarding Pharma Pak,
21 Inc.
22

- 23 b. In a September 14, 2015 text message from Cahill to Edalat, Cahill
24 states, in part, "*Glad you and Greg could work it out. He will be a*
25 *great partner.*" Furthermore, in a follow up September 17, 2015
26 text message from Cahill to Edalat, Cahill states, "*Call Greg He's*
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1 *in but just wants to make sure all the documents are in order. Greg*
2 *will be like John Crowther, provide funding without second*
3 *guessing all of our decisions.”* In essence, Cahill was actively
4 seeking to fill the investor roster with those he knew would not
5 interfere with daily operations or Cahill’s mismanagement of
6 Pharma Pak, Inc. A copy of these text messages is attached
7 herein as Exhibit K and Exhibit L, respectively.
8

9
10 c. In an October 10, 2016 text message from Plaintiff Cahill to Edalat,
11 Cahill stated, in part, “*just finished with Greg He is still back east.*
12 *Returning tomorrow I think he can come up with \$250k next week,”*
13 and “*Hope you can Close [sic] the deal Paul*”. This message is
14 attached herein as Exhibit M.
15

16
17 d. Plaintiff Cullen purchased a quantity of Edalat’s personal shares,
18 and a quantity of Company held shares for a total of 2.5% of
19 Pharma Pak, Inc. shares on or around October 2015. Plaintiff
20 Cullen paid to Edalat \$100,000 for Edalat’s shares, and paid to
21 Plaintiff Cahill a further \$150,000 for the remaining shares.
22 Plaintiffs’ allegation that Cullen gave to Edalat personally
23 \$250,000 is a blatant falsehood.
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1 33. Cahill introduced plaintiff Ronald Ventura Franco to Edalat and
2 Pharma Pak, Inc. Franco purchased his shares directly from the
3 corporation on or around October 2015. Edalat is informed based on
4 belief that Plaintiff Franco paid to Plaintiff Cahill directly monies for his
5 certain percentage in Pharma Pak, Inc.
6

7
8 34. Plaintiff Scott, Scott's business partner Chris Campbell, and Scott's
9 trust EL-1 Trust purchased a quantity of Edalat's personal shares on or
10 around November 2015. True and correct copies of the communication
11 regarding this purchase is attached as Exhibit N.
12

13 a. Furthermore, as part of his investment discussions with Edalat,
14 Scott made statements to Edalat regarding the success of his
15 ongoing multi-level marketing and distribution businesses in the
16 dietary supplement sector. Knowing of Edalat's nearly three
17 decades of experience in the dietary supplement industry, Scott
18 found Edalat's contacts and knowledge to be a valuable asset for
19 his operations, and attempted to leverage this in order to acquire
20 Edalat's rolodex of contacts.
21

22 b. Scott, along with Scott's attorney Matthew Starley, conceived an
23 idea to create a company with Edalat that would acquire various
24 brands in the dietary supplement sector.
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1 Scott attempted to induce Edalat to introduce Edalat's wealthy
2 friends and contacts to Scott for investment in this new venture
3 named Maybach. In early January 2016, Scott's assistant was
4 soliciting information from Edalat in order to put together an
5 Executive Summary for the newly formed Maybach corporation.
6 Edalat was promised 50% of this new venture. To date Edalat has
7 received no information regarding Maybach, no corporate
8 documents, and none of the marketing materials Scott implied he
9 was creating.
10
11
12

- 13 c. Scott further intended to induce Edalat into investment in Scott's
14 so called 'church', a money laundering scheme utilized by Scott
15 and his partners in order to avoid paying taxes. Scott had, in
16 passing, made reference to this so called Church as located in the
17 State of Georgia.
18
19

20 35. At the time of Shareholders' collective initial investments, Cahill was
21 said to have secured certain patent rights from Weimann, the Chief
22 Technical Officer of the Company. As part of his employment, Weimann
23 was to develop certain patents for Pharma Pak, Inc.
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1 i. Weimann and Cahill further conspired to place patent
2 applications for illicit substances under Edalat's name in
3 order to hide the true originator of the patents.
4

5 ii. Weimann and Cahill are currently conspiring, as of June
6 2016, to reassign patents otherwise belonging to Pharma
7 Pak, Inc.
8

9 iii. It was the promise of these certain Pharma Pak, Inc. patents
10 that caused Edalat and other investors to continue funding
11 Pharma Pak, Inc. operations.
12

13 36. Plaintiff Cahill had induced Edalat to allow him to become CEO and
14 President of Pharma Pak, Inc., by promising to leverage his various
15 contacts acquired over the decades.
16

17 a. One such person Cahill courted for Pharma Pak, Inc. was Dr.
18 Elizabeth M. Hagerman, a former fellow Trustee of Rose-Hulman
19 Institute of Technology with Cahill. Cahill stated that Hagerman, a
20 former Baxter Healthcare executive, would be interested in joining
21 the Board for Pharma Pak, Inc.
22
23

24 i. Cahill brought Hagerman to the Pharma Pak administrative
25 offices at 17802 Sky Park Circle, brought Hagerman to the
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1 17809 Gillette Ave manufacturing facility, and also flew to
2 Indianapolis to visit Hagerman.

3 b. Another individual Cahill sought to bring in for Pharma Pak, Inc.
4 was Associate Professor of Pharmaceutical Sciences at the
5 University of California at Irvine Mahtab Jafari. Attached as Exhibit
6 O is a copy of Cahill's October 11, 2015 text message.
7
8

9 c. Cahill stated in various meetings for Pharma Pak, Inc., that his
10 contacts spanned the Pharmaceutical and Technology industries,
11 and that he would fill the Board of Directors with notable names.
12 However, to date Cahill had failed to bring any of these individuals
13 on for Pharma Pak, Inc.'s benefit.
14
15

16 37. Plaintiffs fraudulently and maliciously claim that Sentar
17 Pharmaceuticals is a successor corporation to Scilabs Nutraceuticals,
18 which is not only a blatant falsehood, but intended to interrupt and
19 otherwise materially disadvantage future business of Sentar
20 Pharmaceuticals.
21
22

23 a. Plaintiff Cahill is well aware that Scilabs Nutraceuticals, Inc. had
24 no relationship to Sentar Pharmaceuticals nor any other Edalat
25 entity. Furthermore, Cahill was entirely aware of the developing
26 FDA concerns, and of its resolution. As an example of proof of
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1 such knowledge find attached as Exhibit P, a true and correct copy
2 of an email from Edalat to Cahill regarding the matter, and Edalat's
3 full disclosure of the situation.
4

5 b. Plaintiff Cahill had been involved with multiple conversations
6 concerning the Scilabs Nutraceuticals, Inc. and Scilabs
7 Pharmaceuticals (a DBA of EFT Global Holdings) distinction,
8 including conversations with Food and Drug Administration
9 counsel Stephen Cook at Brown Rudnick, LLP. Attached as
10 Exhibit Q is just one such example.
11

12 In fact, Cahill urged Edalat *on multiple occasions* to change the
13 original name of Scilabs Pharmaceuticals to avoid the very
14 confusion Plaintiffs attempt to capitalize on.
15

16 c. Plaintiff Cahill was fully aware that EFT Global Holdings dba
17 Sentar Pharmaceuticals sought to formalize the Sentar
18 Pharmaceuticals name in preparation for potential future business
19 endeavors including investment, potential IPO, and finalization of
20 the Sentar patents.
21

22 i. As Plaintiffs' have made apparent, their lack of due
23 diligence, and desire to confuse the record, is profound.
24

25 While Sentar Pharmaceuticals, Inc. is registered in Nevada,
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1 no operations have moved to Nevada, no business takes
2 place in Nevada, and furthermore the registration was
3 nothing more than reservation of the Sentar Pharmaceuticals
4 name.
5

6 d. Plaintiff Cahill, used his long standing corporate experience, and
7 leveraged his existing Board of Trustees positions with the
8 University of California at Irvine, Rose-Hulman Institute of
9 Technology, the Oceania Institute, and other institutions, to induce
10 Edalat into allowing Cahill to become an 'advisor' to Edalat in
11 regards to Sentar's development, among other things.
12
13

14 e. At the time Cahill stepped in to advise Edalat on Sentar related
15 matters, Sentar was in the preliminary stages of potential Initial
16 Public Offering conversations. Cahill attended many of these
17 meetings in the guise of advisor to Edalat.
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19

20 f. Plaintiff Cahill gave instrumental input to Defendant Barghi in
21 regards to EFT Global Holdings dba Sentar Pharmaceuticals
22 related marketing materials from on or around February 2015
23 through approximately November 2015. These marketing
24 materials included the Sentar Pharmaceuticals Website Plaintiffs'
25 quote in their First Amended Complaint.
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1 38. Plaintiffs fraudulently and maliciously claim that the Sentar
2 Pharmaceuticals patents are illegitimate, and that work on patent related
3 matters for Sentar Pharmaceuticals had ceased. They know this to be
4 untrue. In fact, the patent has moved to advanced stages of inspection
5 by those countries IP protection has been applied for. Furthermore,
6 Cahill was updated on the patent process, and in communication with
7 Sentar patent attorney Peter Gluck, formerly of Brown Rudnick LLP, at
8 least through December 2015. Attached as Exhibit R is one such
9 example of Cahill's communication with Sentar attorney Gluck. Plaintiffs
10 have made this claim in an attempt to disadvantage and otherwise
11 thwart Sentar's current business, and have in fact materially
12 economically damaged Sentar Pharmaceuticals with the filing of this
13 malicious complaint.
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19 39. Plaintiffs are well aware that a valid pharmaceutical processing
20 license existed for the 17809 Gillette facility, a copy of which is attached
21 herein as Exhibit S. A copy of this license was, until at least January
22 2016, physically present on the wall at the 17809 Gillette facility. The
23 license did not expire until February 13, 2016, and was, even with the
24 FDA consent decree, able to be utilized until such time that Pharma Pak
25 obtained its own licensure.
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1 40. Plaintiffs are well aware that it was Cahill's complete and utter refusal
2 to obtain necessary licensure on the 17809 Gillette Avenue facility that
3 lead to the lack of finalized purchase orders. Cahill's repeated
4 statements that "I've got this buddy" and "it's being handled" were lulling,
5 and induced Edalat to otherwise believe that Cahill was handling the
6 necessary applications,
7

8
9 a. Pharma Pak employees were, as early as February of 2015,
10 actively seeking information on, and gathering documentation for,
11 appropriate licensing for the 17809 Gillette facility. At the time of
12 Karpinski's hire in June of 2015, repeated requests for Cahill's
13 input and signature had already been made. A multitude of
14 supporting documents in this regard have been submitted for the
15 Court's review under Defendant Karpinski's Answer to the First
16 Amended Complaint, Docket Number 29 in this case. In the
17 interests of conserving the Court's time, Defendant Edalat does
18 not reincorporate those Exhibits in Edalat's Answer.
19
20
21
22

23 41. Plaintiffs are well aware that it was Cahill's own personal counsel,
24 Timothy Balog of Balog & Rasch LLP, that incorporated the Pharma Pak
25 name on or around February 10, 2015, and further that Balog's office
26 controls the Books and Records of the entity.
27
28

- 1 a. Attached as Exhibit T is a true and correct copy of the Articles of
2 Incorporation of General Stock Corporation filing with the
3 California Secretary of State. Furthermore, attached as Exhibit U
4 are true and correct copies of the founding Articles of
5 Incorporation of Pharma Pak, Inc. listing Edalat as Secretary of the
6 Corporation.
7
8
- 9 b. Without Shareholder approval, and unbeknownst to Edalat and the
10 other Shareholders, Cahill and Leslie Harold Wood filed a
11 Statement of Information with the California Secretary of State on
12 April 1, 2015, removing Edalat as Secretary, and placing Wood as
13 both Secretary of Pharma Pak, Inc., and Chief Financial Officer. A
14 true and correct copy of this document is attached as Exhibit V.
15
16
- 17 c. Unbeknownst to Edalat, Cahill utilized this document to remove
18 Edalat's name from the corporate bank account. Given Cahill's
19 long standing relationship with First Foundation Bank in Newport
20 Beach, California, as both a retail banking customer, and a
21 Trustee at the University of California, Irvine, Cahill was able to
22 use this relationship to improperly remove Edalat's name from the
23 Pharma Pak, Inc. corporate bank accounts without notice to, or
24 approval of, the Pharma Pak Board of Directors or Edalat himself.
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1 Cahill had, on many previous occasions, boasted about his
2 relationship with the First Foundation Bank CEO. It is also believed
3 that Cahill utilized the services of Assistant Vice President Kyle
4 Auslander and Universal Banker Claudia "Isela" Esquivel for his
5 fraudulent transactions.
6

7
8 d. Attorney Balog failed to conduct appropriate and timely
9 Shareholder meetings, failed to keep updated and complete
10 copies of records, failed to circulate copies of relevant documents
11 altered by Cahill, and neglected to keep shareholders informed of
12 their rights pertaining to inspection of such records, at the direction
13 of Plaintiff Cahill.
14

15
16 In fact, Plaintiff Cullen noted the sloppy recordkeeping practices of
17 Cahill and Counsel in an email dated September 18, 2015 to both
18 Cahill and Edalat regarding his investment and involvement in
19 Pharma Pak, Inc. Attached is a true and correct copy of this email
20 as Exhibit W.
21
22

23 42. Plaintiffs repeatedly accuse Edalat of illicit visits to Las Vegas, when
24 in fact they were well aware of Edalat's presence at meetings in Las
25 Vegas to further Pharma Pak, Inc. business. Attached as an example of
26 Plaintiffs' knowledge as Exhibit X is a copy of Cahill's October 19, 2015
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28

1 text message to Edalat stating, in part, “*Paul Stayin Vegas and keep*
2 *everything moving there.*”

3
4 43. Plaintiffs repeatedly accuse Edalat and Karpinski of misusing
5 Company funds for personal enrichment, despite being aware of the
6 following facts:

7
8 a. Neither Edalat nor Karpinski had access to the Corporate bank
9 accounts, all reimbursements to both parties were approved by
10 Cahill and further signed for by Pharma Pak, Inc., “Chief Financial
11 Officer” Leslie Harold Wood, a long time lackey and employee of
12 Cahill’s.
13

14
15 b. The venue of Las Vegas, Nevada was a convenient middle point
16 between Scott’s location in St. George, Utah, and the Pharma
17 Pak, Inc. offices in Irvine, California. Due to frequent travel to the
18 city, and with the intention of overseeing operations at the new
19 Sentus facility at 1850 Whitney Mesa in Henderson, Nevada
20 Edalat personally rented an apartment on the Las Vegas Strip.
21 Plaintiffs’ were all frequent guests, and used the apartment at any
22 time they wished.
23
24

25
26 c. Cahill, and his son Brent (employed by Pharma Pak, Inc. as a
27 financial analyst) used the cover of Company funded meetings in
28

1 Las Vegas as unauthorized, *Company funded*, vacations.

2 On or about June 1, 2016, at a Pharma Pak, Inc., meeting in Las
3 Vegas, Cahill brought with him a Dr. Stefanie Bernritter Kleine or,
4 “Dr. K”, whom Cahill stated held three PhD’s from the University of
5 California, Los Angeles, the University of Chicago, and
6 Pepperdine University. Attached as Exhibit Y is a screen shot of
7 Bernritter-Kleine’s public Facebook.com profile. Exhibit Z is a true
8 and correct copy of Cahill’s email to Edalat dated February 18,
9 2016 wherein Cahill states that “Dr. K” was a neurological expert,
10 and actively working with the National Football League conducting
11 concussion research, and further that “Dr. K” was a well respected
12 researcher for children’s brain issues. (It would later be discovered
13 that Kleine holds no such credentials.) Attached as Exhibit AA is a
14 a copy of Kleine’s LinkedIn.com account, and as Exhibit BB a copy
15 of Kleine’s Curriculum Vitae as posted to her website
16 workingmindscoaching.com
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23 Despite Cahill’s statements, and insinuations that Kleine would be
24 acting in an advisory capacity to Pharma Pak, Inc., at no time was
25 “Dr.” Kleine involved in furthering Pharma Pak, Inc. business
26 opportunities despite her presence at these meetings.
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1 In fact, Cahill referred to Kleine as his “assistant” in the presence
2 of potential Company partners, allowed her to attend confidential
3 meetings, discussed with her confidential Company information,
4 and further had Kleine accompany him on a trip to the Crazy
5 Horse III, a famous Las Vegas adult entertainment establishment.
6 Cahill, in an unauthorized use of Company funds, paid for her
7 travel and meals, and allowed Kleine to charge spa services to
8 Company funded suite at the Wynn Encore Hotel in Las Vegas,
9 Nevada. Attached as Exhibit CC is a screen shot of Kleine’s own
10 social media page, placing her at the Encore the same weekend
11 as Cahill, with a picture of the suite Edalat provided for Cahill’s
12 use.
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- 18 i. Cahill’s pattern of extramarital affairs, and sexual
19 harassment of women, only became apparent to Edalat
20 towards the end of 2015, when he began to have more
21 personal conversations with Cahill associates, including
22 Cahill’s wife, Karen Jane Cahill (nee Grobba). Grobba-Cahill
23 conspired with her husband to lull Edalat into further
24 investments of monies and resources into Pharma Pak, Inc.
25 for her own benefit.
26
27
28

1 ii. Despite his close professional relationship with Defendant
2 Karpinski, Edalat was unaware that Cahill had been
3 harassing Karpinski since her hire.
4

5 d. Defendant Scott was also present at many Pharma Pak, Inc.
6 related meetings in Las Vegas. Scott, usually accompanied by
7 females he passed off as his assistants, would drink heavily, and
8 was known to take these assistants back to his Company provided
9 hotel rooms, or on excursions to local adult entertainment
10 establishments.
11

12 One such assistant, by the name of Raman Sekhon, accompanied
13 Scott on at least two visits to Las Vegas. Sekhon's own social
14 media put her in the same hotel as Scott the same weekends as
15 Company related meetings. Attached as Exhibit DD are Sekhon's
16 own photographs with locations placing Sekhon at the Wynn
17 Encore Hotel in Las Vegas Nevada the same weekend as a
18 Company meeting with Plaintiff Scott.
19

20 e. Both Plaintiff Cahill and Plaintiff Scott were known to drink
21 excessively, with Scott frequently becoming inebriated and running
22 up large tabs during Company dinners.
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1 f. In fact, thousands of dollars of reimbursements remain outstanding
2 to Edalat, who not only paid for many of these business related
3 dinners, but used his own personal 'comps' in Las Vegas to obtain
4 suites for Plaintiff Cahill, Plaintiff Scott, and their various guests.
5

6 44. Plaintiffs fraudulently state that Edalat, and co-defendant Barghi,
7 created and maintain Sentus Land Management, the operating company
8 holding title to the property at 1850 Whitney Mesa Drive in Henderson
9 Nevada. Cahill himself was heavily involved in the negotiations for
10 purchase of the 1850 Whitney Mesa property, but also the development
11 of potential business opportunities in the building.
12

13 Proof that Plaintiffs are fully aware of the true owners and incorporators
14 of Sentus is attached as Exhibit EE. Furthermore, Plaintiffs have had
15 ample access and opportunity to inspect the 1850 Whitney Mesa Drive
16 property, and are fully aware that it is, and always has been,
17 unoccupied. In fact, Defendant Edalat and Defendant Barghi have
18 performed thousands of dollars of uncompensated renovation work
19 within the building.
20

21 45. Plaintiffs' are aware that Defendant Cahill had, for personal gain,
22 otherwise abused his position as CEO at Pharma Pak, Inc., to pay for
23 personal expenses, including a fraudulent forged lease, fraudulent
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1 salary to himself, conspiracy with Wood to defraud the lessor of the
2 manufacturing facility and utility companies, and embezzlement from the
3 Corporate bank account. These items were discovered in or about
4 January 2016 by non-plaintiff shareholder Amir Asvadi. It was also
5 around this time that Edalat discovered Plaintiffs Cahill, Cullen, Scott,
6 and Franco, were actively conspiring to remove Edalat from Pharma
7 Pak, Inc.
8
9

10 a. Plaintiff Cahill forged Defendant Edalat's signature on a lease
11 between a "Scilabs Pharma, Inc." and Kira Investments LLC – a
12 Cahill family entity- for office space at Kira Investments owned
13 property 17802 Sky Park Circle in Irvine, California. A true and
14 correct copy of this forged lease is attached as Exhibit FF. Kira
15 Investments is a defunct entity in the State of California: attached
16 as Exhibit GG, is a copy of the California Secretary of State's
17 website illustrating this fact.
18
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22 i. Edalat only became aware of the existence of this lease in or
23 around January of 2016 during a Shareholder meeting.

24 Plaintiff Cullen sent a copy of this lease to non-plaintiff
25 shareholder Amir Asvadi on February 20, 2016. A copy of
26 Cullen's email is attached as Exhibit HH.
27
28

1 ii. According to public tax records, Cahill and the Cahill Family
2 Trust along with Cahill Bruce E. Family Trust used this lease
3 document in or about March 2015 as part of a loan
4 application with First Foundation Bank for \$5,000,000
5 against the property located at 1330 Moorea Way in Laguna
6 Beach, California, APN 641-491-03 and 641-491-02.

7
8
9 iii. Cahill has a longstanding relationship with First Foundation
10 Bank as both a retail banking customer and as Trustee of
11 the University of California at Irvine. Cahill may have
12 leveraged his position as Trustee in order to gain favors from
13 First Foundation Bank.
14

15
16 iv. On February 17, 2016 Plaintiff Cullen emailed a copy of a
17 Microsoft Excel spreadsheet to all Pharma Pak, Inc.,
18 shareholders. A copy of this email is attached as Exhibit II.

19
20 1. The subject forged lease is dated January 1, 2015.

21 2. Kira Investments did not begin taking payments from
22 Pharma Pak, Inc. until approximately August of 2015.

23 3. Kira Investments took payments until February of
24 2016.
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1 4. In total Kira Investments took over \$31,000 in 7 rent
2 payments from Pharma Pak, Inc. in addition to over
3 \$35,000 in security deposits and payments that are
4 unaccounted for. A screenshot detail of the document
5 provided on February 17, 2016 by Plaintiff Cullen is
6 attached as Exhibit JJ, and illustrates the payments
7 made by Pharma Pak, Inc. to Kira Investments, LLC
8 for the supposed lease. No accounting exists for those
9 monies removed by Cahill directly from the Pharma
10 Pak, Inc. bank account.

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12
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14
15 v. Defendant Edalat, knowing that he did not sign said lease
16 with Kira Investments, immediately sent a copy of this lease
17 to a hand writing analysis expert, Phil Sprague.

18 Sprague's credentials included over 5,000 criminal and civil
19 trials as an expert witness for a multitude of law enforcement
20 agencies, including the FBI. Sprague's analysis concluded
21 that Edalat's signature on the Kira Investments lease was a
22 forgery, and this assessment is attached as Exhibit KK.

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24
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26 vi. Edalat is informed based on belief that Kira Investments is
27 the vehicle through which Plaintiff Cahill funnels monies to
28

1 his daughter, Kira Cahill. Plaintiff Cahill had previously made
2 statements in late 2015 to Edalat and others that his
3 daughter had “blown through” over \$100,000 in less than
4 three months due to her “Hollywood lifestyle”. Furthermore,
5 Plaintiff Cahill had alluded to Cahill’s ongoing narcotics habit.
6 Cahill frequently called Plaintiff Cahill asking for money, and
7 Kira Investments was a convenient way to surreptitiously
8 provide funding for Cahill’s lifestyle.
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- 12 b. Cahill paid to himself, without Shareholder approval, or notice to
13 other shareholders, a salary of \$20,000 per month.
14
15 c. Cahill paid personal expenses through the Pharma Pak, Inc. bank
16 account, including but no limited to personal credit card payments,
17 and reimbursements.
18
19 d. Cahill, without notice to shareholders, conducted two transactions
20 below the \$10,000 threshold at First Foundation Bank in an
21 attempt to evade required reporting for cash transactions over
22 \$10,000.
23
24 e. Cahill deliberately conspired with Wood to defraud Olen
25 Corporation, the lessor of the 17809 Gillette Avenue
26 manufacturing facility by failing to pay rent for the months of
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1 February and March, without notifying Olen of lease termination, or
2 notifying the other shareholders, including Edalat. Given his long
3 standing relationship with Olen Corporation, Edalat was personal
4 guarantor on this property lease.
5

- 6 f. Cahill deliberately conspired with Wood and failed to pay invoices
7 due to vendors, utilities, and contractors in an attempt to saddle
8 Edalat with the impending debt on the 17809 Gillette property.
9

10 46. Plaintiff Scott, made lulling statements to Edalat that he “sided” with
11 Edalat in the ongoing dispute with Cahill, going so far as to call Cahill
12 “bipolar”, a “narcissist”, “seriously manipulative”, and questioning if Cahill
13 was using the illicit Tetrahydrocannabinol “THC” patches made by Dr.
14 Ludwig Weimann, during a phone call with Edalat and others. Scott
15 repeatedly stated that he would assist Edalat and non-plaintiff
16 Shareholders in regaining control of Pharma Pak, Inc., and that his
17 existing companies were the perfect model of distribution for Pharma
18 Pak, Inc. products.
19

- 20 a. A series of text messages between Scott and Edalat in early
21 February 2016 illustrate Scott’s attempts to earn Edalat’s trust, and
22 thus retrieve sensitive and confidential data from Edalat.
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- 1 i. Scott's February 1, 2016 text message read, in parts "*I am*
2 *really grateful for the opportunity to work with you,*" "*your*
3 *[sic] loaded with gifts bro,*" "*You have made a lot of money*
4 *because its [sic] a direct result of who you are. I could throw*
5 *you in a pile of shit and you would come out smelling like a*
6 *rose. I may not be good at the tables in vegas [sic] but I am*
7 *good with people. My money is on your [sic] bro.*". A copy of
8 this message is attached herein as Exhibit LL.
9
10
11
12 ii. In a February 4, 2016 text message to Edalat, Plaintiff Scott
13 states to Edalat that Matthew Starley, Scott's counsel,
14 advised that Edalat should revoke his signatures on
15 documents recently signed by Edalat for Pharma Pak, Inc.
16 Attached herein as Exhibit MM is a copy of this text
17 message.
18
19
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21 iii. A further message from Scott in the same chain goes on to
22 say that "*People like Bruce think everything is real so they*
23 *take everything personal and constantly feel threatened,*"
24 and "*...by allowing Bruce to feel like he is winning the game*
25 *when in fact he is playing the game exactly the way the*
26 *conscious person is dictating.*" Scott further went on to state
27
28

1 that “*Paul from day one I could tell that you knew that life is a*
2 *game. That’s what make [sic] you powerful.*” A copy of this
3 message is herein attached as Exhibit NN.
4

5 b. Scott manipulated Edalat into allowing Scott access to Edalat’s
6 counsel, Lisa Salisbury, and all legal strategy, and further shared
7 this information with his fellow Plaintiffs. Scott never intended to
8 engage Edalat’s counsel, and only made false statements to
9 Edalat in an attempt to glean information in a long planned
10 conspiracy with co-plaintiffs. As of June 2016, Scott is actively
11 participating in the Life Tech Global LLC venture with Cahill and
12 Plaintiffs.
13
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15

16 47. Plaintiff Cullen repeatedly stated to Edalat and other shareholders
17 that Cullen would step in as interim “Chief Financial Officer” in order to
18 sort out not only the financial affairs of Pharma Pak, but assist in placing
19 a proper valuation on the Company. Cullen took the lead in collecting
20 missing corporate documents in a February 2, 2016 email to Pharma
21 Pak, Inc. counsel Timothy Balog. Furthermore, Cullen agreed with non-
22 plaintiff shareholder Amir Asvadi that the Company and fellow
23 shareholders would not be held liable for, nor be liable for defense
24 against, any misdeeds by Cahill. A true and correct copy of Asvadi’s
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1 email dated February 11, 2016 is attached herein as Exhibit OO. A true
2 and correct copy of Cullen's email stating "*No shareholder should have*
3 *to defend a CEO for wrong doing. I agree*" dated February 11, 2016 is
4 attached as Exhibit PP.
5

6 48. In or about February 2016, Karpinski and other employees
7 discovered Cahill, Cullen, Scott, and Franco had conspired with Dr.
8 Weimann and Ertan Aydinol, to produce, among other things, illegal
9 Tetrahydrocannabinol "THC", a Schedule 1 drug, at the Gillette Avenue
10 facility, despite the lack of appropriate licensing. After learning of this,
11 Karpinski notified Edalat, who upon consultation with the FDA, FDA
12 counsel, and FDA consultants among others, informed the Irvine Police
13 Department. Upon their investigation at the 17809 Gillette Avenue
14 facility, the responding IPD officers noted that the stash of
15 Tetrahydrocannabinol ("THC") containing products found within the
16 building was the largest they had seen to date. There is currently an
17 open investigation with the Irvine Police Department, Case number 16-
18 3257, assigned to Detective Grange. Attached as Exhibit QQ is a true
19 and correct copy of the Irvine Police Department business card with the
20 pending investigation case number.
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1 49. That same week, Dr. Weimann informed Plaintiffs, that the Irvine
2 Police Department had removed the THC from the 17809 Gillette facility
3 building, upon discovering this fact, Cahill fired *some*, but not all, of the
4 employees in retaliation against Edalat. These employees have filed a
5 wrongful termination claim against Cahill and Plaintiffs’.

6
7
8 50. On March 3, 2016, Cahill, Wood, and the unnamed “private
9 investigator” told Defendant Karpinski that a “majority shareholder’s
10 vote” had dissolved the corporation. No such vote had taken place. In
11 fact, Edalat’s counsel, Thomas Poletti of Manatt Phelps Phillips, warned
12 Cahill in a letter dated March 4, 2016 not to proceed with this course of
13 action. Attorney Poletti’s letter further requested access to applicable
14 Books and Records for the Company, which were never provided.
15 Attached as Exhibit RR is a copy of the letter addressed to Cahill from
16 Manatt, Phelps, Phillips.

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20 51. Cahill, Wood, and Cahill’s unnamed “private investigator” told the
21 manufacturing employees that “[Edalat’s] actions” had caused them to
22 be fired, and that Pharma Pak was being shut down. Employees
23 harassed and threatened with legal action include: Olivia Karpinski, Luis
24 Navarro, Jesse Suarez, Luz Navarro, Alonso Navarro, Alex Rosales,
25 and Martin Garcia. These employees were specifically targeted due to
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1 their relationship with Edalat. In addition to this, these employees were
2 wrongfully terminated in direct retaliation for reporting the illegal
3 activities of Cahill, Weimann, and the other Plaintiffs:
4

5 52. Cahill damaged the Company materially by hiring employees, and
6 contractors, with questionable backgrounds, without performing
7 necessary due diligence or full disclosure to Shareholders:
8

- 9 a. Dr. Ludwig Jan Weimann, Chief Technology Officer hired on or
10 about June 2015: An expert in transdermal patch delivery
11 systems, Weimann had formerly worked at an unlicensed
12 transdermal patch research and manufacturing facility in San
13 Diego, California, illegally producing Tetrahydrocannabinol
14 “THC”, Cannabidiol “CBD”, and other medical marijuana related
15 patches and unregistered, unapproved, medical devices.
16 Weimann possessed a California medical marijuana card, and
17 obtained samples of THC among other illicit substances
18 through his pre-existing relationships in the marijuana industry;
19 attached as Exhibit SS are examples of Weimann’s use of
20 cannabinoid, “CBD”, and history of contacts within the
21 marijuana industry.
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1 i. Weimann was paid a salary of approximately \$93,000 per
2 year, including benefits such as lease payments on a BMW
3 328i.
4

5 ii. Weimann was to produce for Pharma Pak, Inc. a series of
6 patents for among other things, transdermal patches.
7

8 Weimann, in a move calculated to secure his employment
9 contract and full benefits, stated that he owned these
10 patents, however, this was a fraudulent statement.
11

12 iii. Weimann and Cahill further conspired to place patent
13 applications for illicit substances under Edalat's name in
14 order to hide the true originator of the patents.
15

16 iv. Weimann and Cahill are currently conspiring, as of June
17 2016, to reassign patents otherwise belonging to Pharma
18 Pak, Inc.
19

20 v. It was the promise of these certain Pharma Pak, Inc. patents
21 that caused Edalat and other investors to continue funding
22 Pharma Pak, Inc. operations.
23

24
25 b. Mark John Erfurt, Information Technology Consultant engaged
26 at the formation of the Company in February 2015: Erfurt has a
27 criminal history for hacking, and unauthorized access into
28

1 computer systems of a Cahill competitor in 2003. Furthermore,
2 Erfurt had been convicted of obstructing an FBI investigation in
3 order to protect Cahill and his company, Centaur Corporation,
4 and sentenced to five months' imprisonment as well as five
5 months' house arrest and three years' probation. A true and
6 correct copy of the Department of Justice press release dated
7 August 31, 2004, and an article concerning the incident dated
8 December 1, 2004 are attached as Exhibit TT. This had not
9 been disclosed to Edalat or the other shareholders and
10 employees of the Company. Erfurt was given full access to
11 employee computers, employee passwords, confidential
12 Company information, given false reimbursements, and
13 exaggerated compensation. As of February 2016, Erfurt was
14 paid in excess of \$26,000 through his company Tec-in-a-Sec,
15 which holds no business license in Irvine, California, for
16 management of a pre-existing computer network encompassing
17 fewer than 7 full time users.

18 *Furthermore, Erfurt has destroyed vital company records,*
19 *including electronic mail belonging to Defendants', and stolen*
20 *non-Pharma Pak, Inc. servers and computer systems from the*
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1 *17809 Gillette Facility. Erfurt has also removed and potentially*
2 *destroyed the pre-existing video surveillance system present in*
3 *the 17809 Gillette Avenue facility.*

4
5 c. Ertan Aydinol, Vice President of Manufacturing hired on or
6 about December 2015: Aydinol formerly worked with Weimann
7 at the unlicensed patch facility in San Diego, and at the time of
8 his hire was spending a majority of his time travelling between
9 the United States and Turkey, where his father purportedly
10 owns a manufacturing facility. Unbeknownst to Edalat,
11 Karpinski and the other shareholders and employees, but
12 known to Cahill, Aydinol had previously been investigated by
13 the FBI for suspected bomb making activities. Although the FBI
14 could not conclusively prove Aydinol's participation in illegal
15 activities, he was banned from "owning certain items". Aydinol,
16 despite not having performed any work for the Company, was
17 awarded a base salary of \$165,600 annually, plus full benefits
18 and full commission. A true and correct copy of Aydinol's
19 unsigned employment agreement is attached as Exhibit UU.
20 Aydinol had stated to Cahill that he had been making "over
21 \$10,000 a month" at his former employer; however, Cahill never
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1 did his due diligence, and it came to light that Aydinol's actual
2 previous salary was a fraction thereof, and Aydinol's statements
3 were purposefully fraudulent and misleading.
4

5 Most recently, Aydinol has been arrested for DUI and
6 possession related charges for amphetamines in Boulder,
7 Colorado, where it is believed he currently resides. A true and
8 correct copy of Aydinol's arrest record and accompanying
9 toxicology report is attached as Exhibit VV
10

11 As of February 2016, Aydinol was paid bonuses and advances
12 for manufacturing in excess of \$38,000, not including cash
13 removed from the Pharma Pak, Inc. bank account under the
14 guise of manufacturing payment.
15

16
17 d. Leslie Harold Wood, controller, hire date unknown: Wood is a
18 long time employee of Cahill's, and by his own admission
19 controls the accounting for many of Cahill's entities, including
20 Kira Investments (aka Kira Invest), the Cahill Family Trust,
21 Centaur Corporation, Centaur Sales, the Bruce E. Cahill Family
22 Trust, and other as to yet unknown entities thought to total
23 approximately 9 entities, as according to Wood himself. Wood
24 was given an initial \$1,800 per month salary by Pharma Pak,
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1 that was then, without approval or proof of an employment
2 contract, raised to an annual salary of \$90,000. Wood controls
3 and maintains the books and records, including accounting, for
4 Cahill's various operations and shell corporations, signs all
5 checks, orders supplies for these operations, and oversees the
6 movement of money between Cahill's various bank accounts.
7
8

9 i. Wood deliberately conspired with Cahill for failure to pay the
10 lease payments at 17809 Gillette Ave for February and
11 March of 2016, and failure to pay thousands of dollars in
12 invoices to utilities and service providers.
13
14

15 1. Wood failed to notify shareholders, or the lessor of
16 17809 Gillette Avenue that he did not intend to further
17 pay payments on the property, *knowing that Edalat*
18 *was personal guarantor on the Pharma Pak, Inc. lease*
19 *on the property.*
20
21

22 a. At the time of the firing of Employees there
23 existed enough funds in the First Foundation
24 Bank account to pay the due lease payments
25 and utility bills. Wood deliberately paid Erfurt,
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1 among others, the remaining monies in an
2 attempt to drain the bank account.

3 e. All four of these employees are currently employed by Life Tech
4 Global LLC (possibly doing business as Pharma Patch), the
5 successor corporation for Pharma Pak.
6

7
8 53. Cahill repeatedly and deliberately sabotaged Pharma Pak, Inc. and
9 conspired with fellow plaintiffs Cullen, Scott, and Franco to defraud
10 Edalat and other investors in the Company, for their own gain, and to
11 remove assets of Pharma Pak Inc., including investor monies.
12

13 Examples of these acts include but are not limited to:

- 14
- 15 a. Deliberate circumvention of Federal law in order to circumvent
16 legal reporting requirements for cash withdrawals over the
17 \$10,000 reporting limit; in other words, structuring.
18
 - 19 b. Failure to obtain necessary licensure on the 17809 Gillette Avenue
20 manufacturing facility in Irvine, California.
21
 - 22 c. Deliberate delay in engagement of necessary consultants and
23 contractors to obtain the aforementioned licensure.
24
 - 25 d. Deliberate circumvention of State and Federal law to produce illicit
26 medical marijuana patches, including those containing
27 Tetrahydrocannabinol "THC" and Cannabidiol "CBD".
28

1 1. Cahill had been warned by many industry experts and
2 advisors not to produce these items in an unlicensed
3 facility, yet proceeded to do so.
4

5 e. Deliberate circumvention of State and Federal law to produce
6 unlicensed medical devices in the form of transdermal patches,
7 and other items.
8

9 f. Further, while Edalat was overseas, in a self-styled “clandestine”
10 operation at Weimann and Aydinol’s former employer in San
11 Diego, Cahill ordered the production of illicit THC and CBD
12 containing patches. In order to preserve the Court’s time, the
13 entirety of these conversations have not been reproduced, but
14 may be found in Defendant Karpinski’s Answer to the First
15 Amended Complaint, Docket 29 of this case, as *Exhibit U*.
16
17
18

19 i. Cahill paid to Aydinol a sum in excess of \$19,000 for this
20 illicit production, in cash withdrawn from the Pharma Pak
21 bank account on or around December 7, 2015. A
22 photograph of which Aydinol messaged to Karpinski on
23 December 11, 2016 at 4:52 PM under the heading “*This*
24 *is how I do business with Bruce....:) LOL*”.
25
26

27 Location data of the photograph puts Cahill and Aydinol in
28

1 La Jolla, California, near the site of the unlicensed
2 manufacturing facility. This photograph depicts the interior
3 of Cahill's late model Jaguar, with Cahill holding stacks of
4 \$100 dollar bills in his hands, and stacks of \$100 dollar
5 bills placed on the center console. It is believed that
6 Aydinol and Cahill kept the cash. A true and correct copy
7 of this photograph, along with the accompanying text
8 message, are attached hereto as Exhibit WW
9

- 10
11
12 ii. On around February 22, 2016, Cahill attempted to induce
13 Karpinski into selling these patches by accepting cash in
14 exchange for delivery of illegal materials. Believing this to
15 be a set up, and a criminal act, Karpinski refused to
16 participate in the transaction and notified Cahill, Edalat,
17 and the other shareholders of her concern. In order to
18 preserve the Court's time, the entirety of these
19 conversations have not been reproduced, but may be
20 found in Defendant Karpinski's Answer to the First
21 Amended Complaint, Docket 29 of this case, as *Exhibit Z*
22 and *Exhibit AA*.
23
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1 g. Cahill and Plaintiffs conspired to grossly mismanage, and
2 embezzle, from the corporate bank accounts and to defraud
3 fellow non-plaintiff investors: These acts include, but are not
4 limited to:
5

- 6 i. Grossly exaggerated compensation to Ertan Aydinol,
7 Mark Erfurt, and Leslie Wood.
8
9 ii. Cash payments to Aydinol for illicit patch manufacturing at
10 the San Diego facility of his former employer.
11
12 iii. Overseas wire transfers to Aydinol for production of
13 alleged machinery in excess of \$20,000. Delivery of these
14 machines were then accepted by the Pharma Pak, Inc.
15 successor company LifeTech Global LLC (possibly doing
16 business as Pharma Patch).
17
18 iv. Wire transfers to KNB Mfg. & Automation LLC in excess
19 of \$80,000 for machinery that was then removed by
20 Pharma Pak, Inc. successor company LifeTech Global
21 LLC (possibly doing business as Pharma Patch).
22
23 v. Other payments with as yet to be calculated sums for
24 equipment and supplies removed by Pharma Pak, Inc.
25
26
27
28

1 successor company LifeTech Global LLC (possibly doing
2 business as Pharma Patch).

3 vi. Payment of illicit salaries to Plaintiff Cahill, to the tune of
4 \$20,000 per month, for an unknown amount of time,
5 without an employment contract or Board approval.

6 vii. Payment of Cahill's own credit card, and personal
7 expenses, through the Company accounts.

8 viii. Payment to Kira Investments (Kira Invest), a Cahill family
9 owned and controlled Company, based on a fraudulent,
10 forged, lease in excess of \$30,000.

11 ix. Payment of Company funded travel to Las Vegas and
12 Colorado for non-company related activities, including a
13 visit by Dr. Weimann to Las Vegas, on or around
14 September 29, 2015, for a visit to the 1850 Whitney Mesa
15 property, under the guise of attendance at an industry
16 conference. Cahill had, in a text message on September
17 22, 2015, inquired of Edalat "*Do you have connections for*
18 *rooms for Ludwig and me for Monday night in Vegas for*
19 *the PharmaPak show?*". A copy of this text message was
20 earlier incorporated as Exhibit K.
21
22
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1 In order to preserve the Court's time, a photograph of
2 Weimann and Cahill inside the building has not been
3 reproduced, but may be found in Defendant Karpinski's
4 Answer to the First Amended Complaint, Docket 29 of this
5 case, as *Exhibit CC*.
6

- 7
8 x. Conspiring with Leslie Wood for payment of other non
9 Pharma Pak, Inc., payments through the Company bank
10 account without approval.
11

12 54. Cahill and Plaintiffs, including Wood and Brent Cahill, also conspired
13 to defraud Edalat, and fraudulently induce Edalat's further investment
14 into the Company with the presentation of falsified accounting, along
15 with falsified business projections.
16

- 17
18 a. In or about May of 2015, Plaintiff Cahill hired his then 17-year-old
19 son Brent Cahill, as a "financial analyst", despite Cahill's lack of
20 experience or expertise in the area. Plaintiff Cahill conspired with
21 Cahill to produce falsified projections based on potential business
22 for the Company, that led to Edalat's further investment in Pharma
23 Pak, Inc. Attached as Exhibit XX is a screen shot of Brent Cahill's
24 Facebook.com social media profile stating that he was employed
25 by Pharma Pak, Inc. in this capacity.
26
27
28

1 b. Cahill's projections were also used as a basis for the valuation of
2 Pharma Pak, Inc. by Plaintiff Cullen, who stated in a meeting in or
3 about January 2016 that he felt Pharma Pak, Inc. was slated to be
4 worth at least \$300,000,000 in the next two years. Attached as
5 Exhibit YY is an email from non-plaintiff Pharma Pak, Inc.
6 shareholder John Crowther to Edalat on January 20, 2016,
7 reiterating Cullen's statement. This email followed the Pharma
8 Pak, Inc., shareholder's meeting wherein Cahill's duplicity was
9 discovered by non-plaintiff Shareholder Amir Asvadi.
10

11 c. Wood presented to Edalat and shareholders falsified accounting
12 records. When asked for the complete records, it took Wood over
13 2 weeks from the date of request on or about February 1, 2016 to
14 provide a Microsoft Excel spread sheet work book of expenses,
15 despite the fact that on June 3, 2015 the Company paid over
16 \$2,000 for QuickBooks Enterprise edition. Plaintiff Cullen finally
17 provided the requested accounting records on or about February
18 17, 2016.
19

20 55. Pharma Pak, Inc.'s successor company is Life Tech Global, LLC.
21

22 Plaintiffs' are holding Defendant Edalat's shares in Constructive Trust.
23
24
25
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27
28

- a. Plaintiffs' have moved Pharma Pak's patents, cash, and other assets to this new entity by fraudulent means and without shareholder approval.
- b. *Plaintiffs conspired to form this entity even before the firing of Pharma Pak, Inc. Employees on March 3, 2016.*
- c. Plaintiffs have, and are currently, conspiring to defraud non-plaintiff Shareholders by reassigning certain patents and trademarks as belonging to Pharma Pak, Inc.
- d. Plaintiffs further conducted business as Pharma Pak, Inc., in order to move business to Life Tech Global, LLC (possibly also doing business as Pharma Patch).
- e. Plaintiffs' formed Life Tech Global, LLC on March 9, 2016 in the State of Delaware, despite the fact that Plaintiffs' nor anyone else involved has any ties with that State, only because that State does not require entities organized under its laws to be identified publically. A true and correct copy of Life Tech Global, LLC's Entity Details from the State of Delaware's Division of Corporation's website is attached hereto as Exhibit ZZ. Edalat is informed based on belief that Plaintiffs' utilized a third party registered agent Incorporation Services, Inc., to perform this transaction and to evade detection.

1 f. Plaintiffs registered the domain name of LifeTechGlobal.net on
2 March 10, 2016. Attached as Exhibit AAA is a copy of the WHOIS
3 report from ICANN.org.
4

5 g. Attached as Exhibit BBB are screenshots of Life Tech Global's
6 website at www.lifetechglobal.net/about.html. Plaintiffs' have
7 committed RICO with their statements.
8

9 i. On the Life Tech Global website, Plaintiffs' state "*Life Tech*
10 *Global a 24,000 square foot manufacturing facility in Irvine,*
11 *CA, delivering products that positively influence the standard*
12 *of care for our providers and their patients, while enhancing*
13 *outcomes for our partners and stakeholders. Pharma Pak*
14 *[sic] can ship most products to all 50 states."*
15
16

17 ii. Further, Plaintiffs' utilize a stock photograph of a textile
18 manufacturing facility as if this photograph is of the Life Tech
19 Global facilities in Irvine. Incorporated within Exhibit CCC is
20 proof that Plaintiffs' utilized this stock photography in an
21 attempt to defraud potential clients and investors.
22
23
24

25 h. Attached as Exhibit DDD is a screenshot of Life Tech Global's
26 website at www.lifetechglobal.net/index.html, stating that "*Medical*
27 *devices and pharmaceutical[sic] are produced in a cGMP and CFR*
28

compliant, FDA licensed manufacturing facility.” This statement is fraudulent. No licensing exists under the Life Tech Global name, not even a business license as illustrated by Exhibit EEE.

56. FORGERY UNDER CALIFORNIA PENAL CODE SECTION 470 (b)
& (d) PENAL CODE §472:

“(b) Every person who, with the intent to defraud, counterfeits or forges the seal or handwriting of another is guilty of forgery.”

“(d) Every person who, with the intent to defraud, falsely makes, alters, forges, or counterfeits, utters, publishes, passes or attempts or offers to pass, as true and genuine, any of the following items, knowing the same to be false, altered, forged, or counterfeited, is guilty of forgery: any check, bond, bank bill, or note, cashier's check, traveler's check, money order, post note, draft, any controller's warrant for the payment of money at the treasury, county order or warrant, or request for the payment of money, receipt for money or goods, bill of exchange, promissory note, order, or any

1 *assignment of any bond, writing obligatory, or other contract*
2 *for money or other property, contract, due bill for payment of*
3 *money or property, receipt for money or property, passage*
4 *ticket, lottery ticket or share purporting to be issued under the*
5 *California State Lottery Act of 1984, trading stamp, power of*
6 *attorney, certificate of ownership or other document*
7 *evidencing ownership of a vehicle or undocumented vessel,*
8 *or any certificate of any share, right, or interest in the stock of*
9 *any corporation or association, or the delivery of goods or*
10 *chattels of any kind, or for the delivery of any instrument of*
11 *writing, or acquittance, release or discharge of any debt,*
12 *account, suit, action, demand, or any other thing, real or*
13 *personal, or any transfer or assurance of money, certificate of*
14 *shares of stock, goods, chattels, or other property whatever,*
15 *or any letter of attorney, or other power to receive money, or*
16 *to receive or transfer certificates of shares of stock or*
17 *annuities, or to let, lease, dispose of, alien, or convey any*
18 *goods, chattels, lands, or tenements, or other estate, real or*
19 *personal, or falsifies the acknowledgment of any notary*

1 *public, or any notary public who issues an acknowledgment*
 2 *knowing it to be false; or any matter described in subdivision*
 3 *(b).”*

57. Penal Code § 472

7 *“Every person who, with intent to defraud another, forges, or*
 8 *counterfeits the seal of this State, the seal of any public officer*
 9 *authorized by law, the seal of any Court of record, or the seal of*
 10 *any corporation, or any other public seal authorized or*
 11 *recognized by the laws of this State, or of any other State,*
 12 *Government, or country, or who falsely makes, forges, or*
 13 *counterfeits any impression purporting to be an impression of*
 14 *any such seal, or who has in his possession any such*
 15 *counterfeited seal or impression thereof, knowing it to be*
 16 *counterfeited, and willfully conceals the same, is guilty of*
 17 *forgery.”*

58. EMBEZZLEMENT UNDER CALIFORNIA PENAL CODE 503 & 504

1 *“Embezzlement is the fraudulent appropriation of property by a*
 2 *person to whom it has been entrusted.”*

3 Cite as Ca. Pen. Code § 503

4 *“Every officer of this state, or of any county, city, city and*
 5 *county, or other municipal corporation or subdivision thereof,*
 6 *and every deputy, clerk, or servant of that officer, and every*
 7 *officer, director, trustee, clerk, servant, or agent of any*
 8 *association, society, or corporation (public or private), who*
 9 *fraudulently appropriates to any use or purpose not in the due*
 10 *and lawful execution of that person's trust, any property in his or*
 11 *her possession or under his or her control by virtue of that trust,*
 12 *or secretes it with a fraudulent intent to appropriate it to that use*
 13 *or purpose, is guilty of embezzlement.*

14 Cite as Ca. Pen. Code § 504

15 59. VIOLATION OF 18 USC 1961

16 *“As used in this chapter - "racketeering activity" means (A) any*
 17 *act or threat involving murder, kidnapping, gambling, arson,*
 18 *robbery, bribery, extortion, dealing in obscene matter, or*
 19 *dealing in a controlled substance or listed chemical (as defined*
 20 *in section 102 of the Controlled Substances Act), which is*
 21 *chargeable under State law and punishable by imprisonment*
 22 *for more than one year; (B) any act which is indictable under*

1 any of the following provisions of title 18, United States Code:
2 Section 201 (relating to bribery), section 224 (relating to sports
3 bribery), sections 471, 472, and 473 (relating to counterfeiting),
4 section 659 (relating to theft from interstate shipment) if the act
5 indictable under section 659 is felonious, section 664 (relating
6 to embezzlement from pension and welfare funds), sections
7 891-894 (relating to extortionate credit transactions), section
8 1028 (relating to fraud and related activity in connection with
9 identification documents), section 1029 (relating to fraud and
10 related activity in connection with access devices), section 1084
11 (relating to the transmission of gambling information), section
12 1341 (relating to mail fraud), section 1343 (relating to wire
13 fraud), section 1344 (relating to financial institution fraud),
14 section 1425 (relating to the procurement of citizenship or
15 nationalization unlawfully), section 1426 (relating to the
16 reproduction of naturalization or citizenship papers), section
17 1427 (relating to the sale of naturalization or citizenship
18 papers), sections 1461-1465 (relating to obscene matter),
19 section 1503 (relating to obstruction of justice), section 1510
20 (relating to obstruction of criminal investigations), section 1511
21 (relating to the obstruction of State or local law enforcement),
22 section 1512 (relating to tampering with a witness, victim, or an
23 informant), section 1513 (relating to retaliating against a
24 witness, victim, or an informant), section 1542 (relating to false
25 statement in application and use of passport), section 1543
26 (relating to forgery or false use of passport), section 1544
27 (relating to misuse of passport), section 1546 (relating to fraud
28 and misuse of visas, permits, and other documents), sections

1 1581-1592 (relating to peonage, slavery, and trafficking in
2 persons)., ^[1] section 1951 (relating to interference with
3 commerce, robbery, or extortion), section 1952 (relating to
4 racketeering), section 1953 (relating to interstate transportation
5 of wagering paraphernalia), section 1954 (relating to unlawful
6 welfare fund payments), section 1955 (relating to the prohibition
7 of illegal gambling businesses), section 1956 (relating to the
8 laundering of monetary instruments), section 1957 (relating to
9 engaging in monetary transactions in property derived from
10 specified unlawful activity), section 1958 (relating to use of
11 interstate commerce facilities in the commission of murder-for-
12 hire), section 1960 (relating to illegal money transmitters),
13 sections 2251, 2251A, 2252, and 2260 (relating to sexual
14 exploitation of children), sections 2312 and 2313 (relating to
15 interstate transportation of stolen motor vehicles), sections
16 2314 and 2315 (relating to interstate transportation of stolen
17 property), section 2318 (relating to trafficking in counterfeit
18 labels for phono records, computer programs or computer
19 program documentation or packaging and copies of motion
20 pictures or other audiovisual works), section 2319 (relating to
21 criminal infringement of a copyright), section 2319A (relating to
22 unauthorized fixation of and trafficking in sound recordings and
23 music videos of live musical performances), section 2320
24 (relating to trafficking in goods or services bearing counterfeit
25 marks), section 2321 (relating to trafficking in certain motor
26 vehicles or motor vehicle parts), sections 2341-2346 (relating to
27 trafficking in contraband cigarettes), sections 2421-24 (relating
28 to white slave traffic), sections 175-178 (relating to biological

weapons), sections 229-229F (relating to chemical weapons),
 section 831 (relating to nuclear materials), (C) any act which is
 indictable under title 29, United States Code, section 186
 (dealing with restrictions on payments and loans to labor
 organizations) or section 501 (c) (relating to embezzlement
 from union funds), (D) any offense involving fraud connected
 with a case under title 11 (except a case under section 157 of
 this title), fraud in the sale of securities, or the felonious
 manufacture, importation, receiving, concealment, buying,
 selling, or otherwise dealing in a controlled substance or listed
 chemical (as defined in section 102 of the Controlled
 Substances Act), punishable under any law of the United
 States, (E) any act which is indictable under the Currency and
 Foreign Transactions Reporting Act, (F) any act which is
 indictable under the Immigration and Nationality Act, section
 274 (relating to bringing in and harboring certain aliens), section
 277 (relating to aiding or assisting certain aliens to enter the
 United States), or section 278 (relating to importation of alien
 for immoral purpose) if the act indictable under such section of
 such Act was committed for the purpose of financial gain, or (G)
 any act that is indictable under any provision listed in section
 2332b (g)(5)(B);

1962. Prohibited activities

(a) It shall be unlawful for any person who has received any
 income derived, directly or indirectly, from a pattern of
 racketeering activity or through collection of an unlawful debt in

1 *which such person has participated as a principal within the*
2 *meaning of section 2, title 18, United States Code, to use or*
3 *invest, directly or indirectly, any part of such income, or the*
4 *proceeds of such income, in acquisition of any interest in, or the*
5 *establishment or operation of, any enterprise which is engaged*
6 *in, or the activities of which affect, interstate or foreign*
7 *commerce. A purchase of securities on the open market for*
8 *purposes of investment, and without the intention of controlling*
9 *or participating in the control of the issuer, or of assisting*
10 *another to do so, shall not be unlawful under this subsection if*
11 *the securities of the issuer held by the purchaser, the members*
12 *of his immediate family, and his or their accomplices in any*
13 *pattern or racketeering activity or the collection of an unlawful*
14 *debt after such purchase do not amount in the aggregate to one*
15 *percent of the outstanding securities of any one class, and do*
16 *not confer, either in law or in fact, the power to elect one or*
17 *more directors of the issuer.*

18
19
20
21
22 *(b) It shall be unlawful for any person through a pattern of*
23 *racketeering activity or through collection of an unlawful debt to*
24 *acquire or maintain, directly or indirectly, any interest in or*
25
26
27
28

1 *control of any enterprise which is engaged in, or the activities of*
2 *which affect, interstate or foreign commerce.*

3 *(c) It shall be unlawful for any person employed by or*
4 *associated with any enterprise engaged in, or the activities of*
5 *which affect, interstate or foreign commerce, to conduct or*
6 *participate, directly or indirectly, in the conduct of such*
7 *enterprise's affairs through a pattern of racketeering activity or*
8 *collection of unlawful debt.*

9 *(d) It shall be unlawful for any person to conspire to violate*
10 *any of the provisions of subsection (a), (b), or (c) of this section.*

11 *Cite as 18 U.S.C. 1962*

12
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18 *1964. Civil remedies*

19 *(a) The district courts of the United States shall have*
20 *jurisdiction to prevent and restrain violations of section 1962 of*
21 *this chapter by issuing appropriate orders, including, but not*
22 *limited to: ordering any person to divest himself of any interest,*
23 *direct or indirect, in any enterprise; imposing reasonable*
24 *restrictions on the future activities or investments of any person,*
25 *including, but not limited to, prohibiting any person from*
26
27
28

1 *engaging in the same type of endeavor as the enterprise*
 2 *engaged in, the activities of which affect interstate or foreign*
 3 *commerce; or ordering dissolution or reorganization of any*
 4 *enterprise, making due provision for the rights of innocent*
 5 *persons.*

6
 7 (b) *The Attorney General may institute proceedings under*
 8 *this section. Pending final determination thereof, the court may*
 9 *at any time enter such restraining orders or prohibitions, or take*
 10 *such other actions, including the acceptance of satisfactory*
 11 *performance bonds, as it shall deem proper.*

12
 13 (c) *Any person injured in his business or property by reason*
 14 *of a violation of section 1962 of this chapter may sue therefor in*
 15 *any appropriate United States district court and shall recover*
 16 *threefold the damages he sustains and the cost of the suit,*
 17 *including a reasonable attorney's fee, ...*

18
 19
 20
 21
 22
 23 60. *California Corporations Code Section §2253:*

24
 25 *“Any director of a stock corporation, domestic or foreign, who concurs*
 26 *in any vote or act of the directors of the corporation or any of them,*
 27 *knowingly and with dishonest or fraudulent purpose, to make any*
 28

1 *dividend or distribution of assets except in the cases and in the*
2 *manner allowed by law, either with the design of defrauding creditors*
3 *or shareholders or of giving a false appearance to the value of the*
4 *stock and thereby defrauding subscribers or purchasers, is guilty of a*
5 *misdemeanor, punishable by a fine of not more than one thousand*
6 *dollars (\$1,000) or imprisonment for not more than one year or both.”*
7
8 *California Corporations Code §2254.*

9
10 *Every director, officer or agent of any corporation, domestic or*
11 *foreign, is guilty of a felony (a) who knowingly concurs in making,*
12 *publishing or posting either generally or privately to the shareholders*
13 *or other persons (1) any written report, exhibit, statement of its affairs*
14 *or pecuniary condition or notice containing any material statement*
15 *which is false, or (2) any untrue or willfully or fraudulently*
16 *exaggerated report, prospectus, account, statement of operations,*
17 *values, business, profits, expenditures or prospects, or (3) any other*
18 *paper or document intend to produce or give, or having a tendency to*
19 *produce or give, the shares of stock in such corporation a greater*
20 *value or a less apparent or market value than they really possess, or*
21 *(b) who refuses to make any book entry or post any notice required*
22 *by the law in manner required by law.*
23
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FIRST CLAIM FOR RICO
BY ALL CROSS-COMPLAINANTS AGAINST
ALL CROSS-DEFENDANTS

61. CROSS-COMPLAINANTS re-alleges each and every allegation contained in ¶¶ 1 – 60.

62. Cross-Complainants are informed and based upon believed allege that these Cross-Defendants have committed the following illegal and criminal actions:

- a. Embezzlement of \$900,000 cash and \$100,000 worth of equipment from the company
- b. Theft of trade secrets from the company
- c. Production of illegal schedule 1 drugs on the Controlled Substance Act (“THC”).
- d. Transportation and distribution of said illegal drugs (THC) across state lines and international borders,
- e. Patent Infringement
- f. Breaking and entering and the theft of \$300,000 worth of products from Medipatch
- g. Assault and Battery on a female employee
- h. Sexually harassed a female employee
- i. Forgery of documents for the purpose of obtaining a loan on real property while using false and fraudulent forged documents to give to the bank for a \$5,00,000 loan without adequate income to secure the loan. Cahill forged Edalat’s signature on a purported lease of one of Cahill’s property so that he could show the income. Thereby committing bank fraud.

j. Cross-Defendants are producing pills and patches at their Oceanside location, which has not been approved by FDA and California Department of Public Health (CDPH). These agencies are tasked with oversight of all facilities which produce such products and it is illegal to manufacture such products without the building, its location and other requirements for testing the products and securing samples in special rooms for inspection by these two departments.

63. EMBEZZLEMENT UNDER CALIFORNIA PENAL CODE 503 & 504

“Embezzlement is the fraudulent appropriation of property by a person to whom it has been entrusted.”

Cite as Ca. Pen. Code § 503

“Every officer of this state, or of any county, city, city and county, or other municipal corporation or subdivision thereof, and every deputy, clerk, or servant of that officer, and every officer, director, trustee, clerk, servant, or agent of any association, society, or corporation (public or private), who fraudulently appropriates to any use or purpose not in the due and lawful execution of that person's trust, any property in his or her possession or under his or her control by virtue of that trust, or secretes it with a fraudulent intent to appropriate it to that use or purpose, is guilty of embezzlement.

Cite as Ca. Pen. Code § 504

64. VIOLATION OF 18 USC 1961

*"As used in this chapter - "racketeering activity" means (A) any act or threat involving murder, kidnapping, gambling, arson, robbery, bribery, extortion, dealing in obscene matter, or **dealing in a controlled substance or listed chemical (as defined in section 102 of the Controlled Substances Act)**, which is chargeable under State law and punishable by imprisonment for more than one year; (B) any act which is indictable under any of the following provisions of title 18, United States Code: Section 201 (relating to bribery), section 224 (relating to sports bribery), sections 471, 472, and 473 (relating to counterfeiting), section 659 (relating to theft from interstate shipment) if the act indictable under section 659 is felonious, section 664 (relating to embezzlement from pension and welfare funds), sections 891-894 (relating to extortionate credit transactions), section 1028 (relating to fraud and related activity in connection with identification documents), section 1029 (relating to fraud and related activity in connection with access devices), section 1084 (relating to the transmission of gambling information), section 1341 (relating to mail fraud), section 1343 (relating to wire fraud), section 1344 (relating to financial institution fraud), section 1425 (relating to the procurement of citizenship or nationalization unlawfully), section 1426 (relating to the reproduction of naturalization or citizenship papers), section 1427 (relating to the sale of naturalization or citizenship papers), sections 1461-1465 (relating to obscene*

1 matter), section 1503 (relating to obstruction of justice), section
2 1510 (relating to obstruction of criminal investigations), section
3 1511 (relating to the obstruction of State or local law
4 enforcement), section 1512 (relating to tampering with a
5 witness, victim, or an informant), section 1513 (relating to
6 retaliating against a witness, victim, or an informant), section
7 1542 (relating to false statement in application and use of
8 passport), section 1543 (relating to forgery or false use of
9 passport), section 1544 (relating to misuse of passport), section
10 1546 (relating to fraud and misuse of visas, permits, and other
11 documents), sections 1581-1592 (relating to peonage, slavery,
12 and trafficking in persons).^[1] section 1951 (relating to
13 interference with commerce, robbery, or extortion), section
14 1952 (relating to racketeering), section 1953 (relating to
15 interstate transportation of wagering paraphernalia), section
16 1954 (relating to unlawful welfare fund payments), section 1955
17 (relating to the prohibition of illegal gambling businesses),
18 section 1956 (relating to the laundering of monetary
19 instruments), section 1957 (relating to engaging in monetary
20 transactions in property derived from specified unlawful
21 activity), section 1958 (relating to use of interstate commerce
22 facilities in the commission of murder-for-hire), section 1960
23 (relating to illegal money transmitters), sections 2251, 2251A,
24 2252, and 2260 (relating to sexual exploitation of children),
25 sections 2312 and 2313 (relating to interstate transportation of
26 stolen motor vehicles), sections 2314 and 2315 (relating to
27 interstate transportation of stolen property), section 2318
28 (relating to trafficking in counterfeit labels for phono records,

1 computer programs or computer program documentation or
2 packaging and copies of motion pictures or other audiovisual
3 works), section 2319 (relating to criminal infringement of a
4 copyright), section 2319A (relating to unauthorized fixation of
5 and trafficking in sound recordings and music videos of live
6 musical performances), section 2320 (relating to trafficking in
7 goods or services bearing counterfeit marks), section 2321
8 (relating to trafficking in certain motor vehicles or motor vehicle
9 parts), sections 2341-2346 (relating to trafficking in contraband
10 cigarettes), sections 2421-24 (relating to white slave traffic),
11 sections 175-178 (relating to biological weapons), sections 229-
12 229F (relating to chemical weapons), section 831 (relating to
13 nuclear materials), (C) any act which is indictable under title 29,
14 United States Code, section 186 (dealing with restrictions on
15 payments and loans to labor organizations) or section 501 (c)
16 (relating to embezzlement from union funds), (D) any offense
17 involving fraud connected with a case under title 11 (except a
18 case under section [157](#) of this title), fraud in the sale of
19 securities, or the felonious manufacture, importation, receiving,
20 concealment, buying, selling, or otherwise dealing in a
21 controlled substance or listed chemical (as defined in section
22 102 of the Controlled Substances Act), punishable under any
23 law of the United States, (E) any act which is indictable under
24 the Currency and Foreign Transactions Reporting Act, (F) any
25 act which is indictable under the Immigration and Nationality
26 Act, section 274 (relating to bringing in and harboring certain
27 aliens), section 277 (relating to aiding or assisting certain aliens
28 to enter the United States), or section 278 (relating to

1 *importation of alien for immoral purpose) if the act indictable*
 2 *under such section of such Act was committed for the purpose*
 3 *of financial gain, or (G) any act that is indictable under any*
 4 *provision listed in section 2332b (g)(5)(B);*

5 **1962. Prohibited activities**

6 *It shall be unlawful for any person who has received any*
 7 *income derived, directly or indirectly, from a pattern of*
 8 *racketeering activity or through collection of an unlawful*
 9 *debt in which such person has participated as a principal*
 10 *within the meaning of section 2, title 18, United States*
 11 *Code, to use or invest, directly or indirectly, any part of*
 12 *such income, or the proceeds of such income, in*
 13 *acquisition of any interest in, or the establishment or*
 14 *operation of, any enterprise which is engaged in, or the*
 15 *activities of which affect, interstate or foreign commerce.*
 16 *A purchase of securities on the open market for purposes*
 17 *of investment, and without the intention of controlling or*
 18 *participating in the control of the issuer, or of assisting*
 19 *another to do so, shall not be unlawful under this*
 20 *subsection if the securities of the issuer held by the*
 21 *purchaser, the members of his immediate family, and his*
 22 *or their accomplices in any pattern or racketeering activity*
 23 *or the collection of an unlawful debt after such purchase*
 24 *do not amount in the aggregate to one percent of the*
 25 *outstanding securities of any one class, and do not*
 26 *confer, either in law or in fact, the power to elect one or*
 27 *more directors of the issuer.*

1 *It shall be unlawful for any person through a pattern of*
2 *racketeering activity or through collection of an unlawful*
3 *debt to acquire or maintain, directly or indirectly, any*
4 *interest in or control of any enterprise which is engaged*
5 *in, or the activities of which affect, interstate or foreign*
6 *commerce.*

7 *It shall be unlawful for any person employed by or*
8 *associated with any enterprise engaged in, or the*
9 *activities of which affect, interstate or foreign commerce,*
10 *to conduct or participate, directly or indirectly, in the*
11 *conduct of such enterprise's affairs through a pattern of*
12 *racketeering activity or collection of unlawful debt.*

13 *It shall be unlawful for any person to conspire to violate*
14 *any of the provisions of subsection (a), (b), or (c) of this*
15 *section.*

16 ***Cite as 18 U.S.C. 1962***

17
18 ***1964. Civil remedies***

19 *The district courts of the United States shall have*
20 *jurisdiction to prevent and restrain violations of section*
21 *1962 of this chapter by issuing appropriate orders,*
22 *including, but not limited to: ordering any person to divest*
23 *himself of any interest, direct or indirect, in any*
24 *enterprise; imposing reasonable restrictions on the future*
25 *activities or investments of any person, including, but not*
26 *limited to, prohibiting any person from engaging in the*
27 *same type of endeavor as the enterprise engaged in, the*
28 *activities of which affect interstate or foreign commerce;*

1 or ordering dissolution or reorganization of any
2 enterprise, making due provision for the rights of
3 innocent persons.

4 The Attorney General may institute proceedings under
5 this section. Pending final determination thereof, the
6 court may at any time enter such restraining orders or
7 prohibitions, or take such other actions, including the
8 acceptance of satisfactory performance bonds, as it shall
9 deem proper.

10 **Any person injured in his business or property by**
11 **reason of a violation of section 1962 of this chapter**
12 **may sue therefor in any appropriate United States**
13 **district court and shall recover threefold the**
14 **damages he sustains and the cost of the suit,**
15 **including a reasonable attorney's fee, ...**

16
17 65. California Corporations Code Section §2253:

18
19 *“Any director of a stock corporation, domestic or foreign, who concurs*
20 *in any vote or act of the directors of the corporation or any of them,*
21 *knowingly and with dishonest or fraudulent purpose, to make any*
22 *dividend or distribution of assets except in the cases and in the*
23 *manner allowed by law, either with the design of defrauding creditors*
24 *or shareholders or of giving a false appearance to the value of the*
25 *stock and thereby defrauding subscribers or purchasers, is guilty of a*
26
27
28

1 *misdemeanor, punishable by a fine of not more than one thousand*
2 *dollars (\$1,000) or imprisonment for not more than one year or both.”*

3 *California Corporations Code §2254.*

4
5 *Every director, officer or agent of any corporation, domestic or*
6 *foreign, is guilty of a felony (a) who knowingly concurs in making,*
7 *publishing or posting either generally or privately to the shareholders*
8 *or other persons (1) any written report, exhibit, statement of its affairs*
9 *or pecuniary condition or notice containing any material statement*
10 *which is false, or (2) any untrue or willfully or fraudulently*
11 *exaggerated report, prospectus, account, statement of operations,*
12 *values, business, profits, expenditures or prospects, or (3) any other*
13 *paper or document intend to produce or give, or having a tendency to*
14 *produce or give, the shares of stock in such corporation a greater*
15 *value or a less apparent or market value than they really possess, or*
16 *(b) who refuses to make any book entry or post any notice required*
17 *by the law in manner required by law.*
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24 66. CROSS-DEFENDANTS have conspired to steal the business started
25 by Edalat. The purpose of this was so that they could steal intellectual
26 property, assets, and cash in order to manufacture illegal Schedule 1
27 drugs on the Controlled Substance Act.
28

1 67. The Majority Shareholder, Paul Edalat, notified law enforcement of
2 the illegal activities and law enforcement found a significant amount of
3 THC liquid hidden in the building by Cahill and the other Cross-
4 Defendants

5 68. Immediately upon finding out that the police had been called and
6 taken their hidden illegal product the Cross-Defendants fired these
7 CROSS-COMPLAINANTS. Cross-Defendants then moved their
8 operations to two additional locations: 2929 Oceanside Blvd in Oceanside
9 California, and 17802 Sky Park Circle in Irvine, California. At these
10 locations they are producing, with Pharma Pak, Inc. owned equipment
11 and intellectual property, illegal Schedule 1 drugs, and unregistered
12 medical devices.

13 69. Additionally, these CROSS-DEFENDANTS have used the wire
14 services, US Mail services, committed bank, wire, and postal fraud in their
15 criminal actions and activities. They have also embezzled more than
16 \$1,000,000 in cash and assets from Pharma Pak, Inc. and its rightful
17 shareholders. This is a violation of *Corporations Code Section §2253*.

18 70. As a direct result of this conspiracy and illegal acts, the CROSS-
19 DEFENDANTS have stolen Edalat's business which had been valued at
20 over \$100,000,000. Pursuant to the RICO statutes Edalat would be
21 entitled to damages of three times that amount plus the actual amount of
22 the damages, bringing these damages to a total of \$400,000,000 against
23 these CROSS-DEFENDANTS.
24
25
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28

1 THE FOLLOWING CLAIMS FOR RELIEF ARE BASED UPON THE
2 FACTS THAT CAHILL AND HIS OTHER CO-CONSPIRATORS WERE
3 ACTING IN CONCERT AND ALL ACTS CLAIMS HEREUNDER ARE
4 ACTS RELATED TO THE FEDERAL ISSUE PRESENTED HEREIN
5 UNDER FEDERAL RULES OF CIVIL PROCEDURES 13, 14, 18, 19 & 20.

6
7 SECOND CLAIM FOR EMBEZZLEMENT
8 AGAINST ALL CROSS-DEFENDANTS

9 EXCLUDING CROSS-COMPLAINANT MEDIPATCH, INC.

10 71. CROSS-COMPLAINANTS re-alleges each and every allegation
11 contained in ¶¶ 1 – 70.

12 72. CROSS-DEFENDANTS all conspired to steal money and assets from
13 PHARMA PAK, INC. which had been given to the company by EDALAT
14 as part of the agreement for the formation of this new corporation. Cahill
15 and fellow cross-Defendants stole more than \$1,000,000 in cash and
16 assets from Pharma Pak, Inc. and illegally transferred these to their new
17 entity, Life Tech Global, LLC.

18 73. Additionally, Bruce Cahill forged a lease with EDALAT's signature on
19 it for a building owned by Cahill and his family under the entity Kira
20 Investments, LLC, so that he could pass the lease off to First Foundation
21 Bank as sufficient income to qualify for a \$5,000,000 loan on his residence
22 at 1330 Moorea in Laguna Beach, California. Money was then taken
23 monthly from PHARMA PAK, INC. to make the monthly payments on this
24 fraudulently induced loan for Cahills' personal benefits.

25 74. First Foundation Bank approved this fraudulent loan document given
26 their long relationship with Cahill as Trustee of the University of California
27 at Irvine.
28

1 75. Each of these CROSS-COMPLAINANTS has been damaged by the
2 actions of these Cross-Defendants, in an amount to be proven at time of
3 trial.

4
5 THIRD CLAIM FOR BREACH OF CONTRACT BY CROSS-
6 COMPLAINANT EDALAT AGAINST CROSS-DEFENDANTS

7 76. CROSS-COMPLAINANT re-alleges each and every allegation
8 contained in ¶¶ 1 – 75.

9 77. CROSS-DEFENDANTS stole all of the assets of PHARMA PAK, INC
10 including patents, trademarks, cash, and equipment. These CROSS-
11 DEFENDANTS stole and embezzled these assets and moved their
12 operations to two additional locations: 2929 Oceanside Blvd in Oceanside
13 California, and 17802 Sky Park Circle in Irvine, California. At these
14 locations they are producing, with Pharma Pak, Inc. owned equipment
15 and intellectual property, illegal Schedule 1 drugs, and unregistered
16 medical devices.

17 78. Immediately upon finding out that law enforcement had been called
18 and law enforcement had taken their hidden illegal product the Cross-
19 Defendant Cahill and the other CROSS-DEFENDANTS, in an act of
20 retaliation, fired Karpinski and all of the other employees so as to make
21 PHARMA PAK INC. totally insolvent, and to complete their conspiracy to
22 steal all of the company and its assets, thereby breaching their contract
23 with EDALAT.

24 79. This is textbook breach of contract. The contract was entered into by
25 Cahill and EDALAT to form the new corporation. The corporation is
26 formed and Cahill gains control of it. Cahill brings his fellow conspirators
27 into the Company, and all monies that were placed into the company bank
28

1 accounts is stolen by them along with Pharma Pak, Inc.'s patents,
2 trademarks, equipment, and other assets.

3 80. PAUL EDALAT has been damaged by the actions of these Cross-
4 Defendants, in an amount to be proven at time of trial.

5
6 FORTH CLAIM FOR BREACH OF FIDUCIARY DUTIES BY CROSS-
7 COMPLAINANTS EDALAT & ASVADI AGAINST CROSS-DEFENDANTS

8 81. CROSS-COMPLAINANT re-alleges each and every allegation
9 contained in ¶¶ 1 – 80.

10 82. CROSS-COMPLAINANT was owed a Fiduciary Duty by all Board
11 Members, including these CROSS-DEFENDANTS.

12 83. These CROSS-DEFENDANTS breached their duties by stealing
13 company assets, attempting to steal EDALAT's patents, moving all of the
14 company assets out of the Gillette Avenue office in Irvine California, and
15 moving operations to two new locations. Also, these CROSS-
16 DEFENDANTS breached their duties when Cahill improperly sexually
17 harrassed Karpinski on numerous occasions, and fired all of the
18 employees in retaliation for their reporting of Cross-Defendant's illegal
19 behavior.

20 84. PAUL EDALAT AND AMIR ASVADI have been damaged by the
21 actions of these CROSS-DEFENDANTS, in an amount to be proven at
22 time of trial.

23
24 FIFTH CLAIM FOR BREACH OF THE COVENANT OF GOOD FAITH AND
25 FAIR DEALINGS BY CROSS-COMPLAINANTS PAUL EDALAT AND
26 AMIR ASVADI AGAINST CROSS-DEFENDANTS

27 85. CROSS-COMPLAINANTS re-alleges each and every allegation
28 contained in ¶¶ 1 – 84.

1 86. In California there is a covenant of Good Faith and Fair Dealings in
2 every contract.

3 87. By doing the acts complained of hereinabove, these CROSS-
4 DEFENDANTS have breached their contract and this covenant of good
5 faith and fair dealings.

6 88. CROSS-COMPLAINANTS PAUL EDALAT AND AMIR ASVADI have
7 been damaged as a direct result of the actions of these CROSS-
8 DEFENDANTS' actions in an amount of damage to be proven at time of
9 trial, but no less than \$100,000,000.
10

11
12 SIXTH CLAIM FOR BREACH OF FIDUCIARY DUTIES BY CROSS-
13 COMPLAINANTS PAUL EDALAT AND AMIR ASVADI AGAINST CROSS-
14 DEFENDANTS

15 89. CROSS-COMPLAINANT re-alleges each and every allegation
16 contained in ¶¶ 1 – 88.

17 90. Cahill and the other board members owed a fiduciary duty to PAUL
18 EDALAT AND AMIR ASVADI.

19 91. Cahill and the other board members breach that duty by embezzlement
20 of company assets and contracts and making illegal drugs on the
21 premises without a license.

22 92. CROSS-COMPLAINANTS have been damaged as a direct result of
23 the actions of these CROSS-DEFENDANTS' actions in an amount of
24 damage to be proven at time of trial, but no less than \$100,000,000.

25 SEVENTH CLAIM FOR FRAUD BY CROSS-COMPLAINANT AGAINST
26 CROSS-DEFENDANTS

27 93. CROSS-COMPLAINANT PAUL EDALAT re-alleges each and every
28 allegation contained in ¶¶ 1 – 92.

1 94. CROSS-COMPLAINANT entered into a group of contracts with these
2 Cross-Defendants which the Cross-Defendants broke because they
3 never intended to comply with the terms and conditions of the contract.

4 95. Cross-Defendants also fraudulently induced CROSS-COMPLAINANT
5 into these contracts so that they could gain control of his company, his
6 patents and his contacts so that they could steal the company.

7 96. CROSS-COMPLAINANT has been damaged as a direct result of the
8 actions of these CROSS-DEFENDANTS' actions in an amount of damage
9 to be proven at time of trial, but no less than \$100,000,000.

10 97. Cross-Complainant will also seek to impose a Constructive Trust on all
11 properties where the stolen moneys and assets have been taken and
12 hidden by these Cross-Defendants; including their homes, office buildings
13 and bank accounts.

14 EIGHTH CLAIM FOR TRESPASS TO REAL PROPERTY AND THE
15 THEFT OF 15,000 PATCHES BY CROSS-COMPLAINANT MEDIPATCH
16 AGAINST CROSS-DEFENDANTS

17 98. CROSS-COMPLAINANT MEDIPATCH re-alleges each and every
18 allegation contained in ¶¶ 1 – 97.

19 99. CROSS-DEFENDANTS in furtherance of their conspiracy and criminal
20 activities, broke into the Medipatch building while the owner of the
21 company was out of town. One of the conspirators had been a consultant
22 with Medipatch and had a key to the property. That consultant and Cahill
23 both knew that the owner of the company had told them that he would not
24 agree to their using his equipment and materials without him being there.
25 Knowing that he was out of town, the conspirators entered into the
26 property without permission or justification. And then they produced and
27 manufactured more than 15,000 patches with a retail value of \$300,000.
28

1 100. CROSS-COMPLAINANT has been damaged as a direct result of the
2 actions of these CROSS-DEFENDANTS' actions in an amount of damage
3 to be proven at time of trial, but no less than \$300,000.00.

4 101. Cross-Complainant will also seek to impose a Constructive Trust on all
5 properties where the stolen moneys and assets have been taken and
6 hidden by these Cross-Defendants; including their homes, office buildings
7 and bank accounts.

8
9
10 DEMAND FOR JURY TRIAL

11 Demand is hereby made by the CROSS-COMPLAINANTS for a trial by
12 Jury.
13

14 WHEREFORE, Plaintiffs prays for judgment as follows:

- 15 1. General Damages according to proof.
 - 16 2. Special Damages according to Proof.
 - 17 3. Punitive Damages according to Proof.
 - 18 4. RICO Damages according to Proof.
 - 19 5. Such other relief as the court deems proper.
- 20
21 //

1 DATED: August 8, 2016

2 THE DURST FIRM

3 /S/ LEE H. DURST

4 BY: _____

5 LEE H. DURST

6 DATED: August 8, 2016

7 LAW OFFICES OF LARRY ROTHMAN

8 /S/ LARRY ROTHMAN

9 BY: _____

10 LARRY ROTHMAN

PROOF OF SERVICE
State of California, County of Orange

I am employed in the county and state aforesaid. I am over the age of 18 and not a party to the within action. My business address is 23 Corporate Plaza, Suite 150, Newport Beach, CA 92660.

On August 9, 2016, I served the foregoing document described as:
ANSWER & CROSS-COMPLAINT / COUNTER - CLAIM
on the parties listed below in this action by placing a true copy thereof or the originals via electronic mail through the ECF system of the United States District Court to the following

JMarkham@markhamread.com, BZerner@markhamread.com, &
ERead@markhamread.com

Attorneys for Plaintiffs & Cross-Defendants
TOCOLLECT@aol.com
Attorney for Defendants and Cross-Complainants
DONALD HAMMAN
DHamman@stuartkane.com
ATTORNEY FOR THE BANK

[X] BY ELECTRONIC MAIL. I caused the above document to be electronically mailed through the ECF system of the United States District Court. Executed on August 9, 2016, at Newport Beach, California.

[X] FEDERAL. I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

I declare under penalty of perjury under the laws of United States and the State of California that the above is true and correct.

/S/ Lee H. Durst

Lee H. Durst